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CONTENTS

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NEAR EAST

REGIONAL AFFAIRS

Arabs Consult on Possible Israeli Gaza Withdrawal [London AL-SHARQ AL-AWSAT 30 Mar]	1
Iraqi Opposition Delegation Visits Kuwait	1
Kuwaiti Prisoners Said To Be Alive [London AL-SHARQ AL-AWSAT 9 Mar]	1
Opposition Assured of Support [London AL-SHARQ AL-AWSAT 8 Mar]	2
Kurdish-Kuwaiti Relations Discussed [London AL-SHARQ AL-AWSAT 11 Mar]	2
Arab Support for Iraq Against Iran Analyzed [London AL-SHARQ AL-AWSAT 26 Feb]	2
Kurds on Federation, Economy, Iranian Violations	3
Talabani Talks to Syrians on Federation [London AL-SHARQ AL-AWSAT 18 Feb]	3
Iran Accused of Opening Borders [London AL-HAYAH 17 Feb]	3
GCC 1992 Deficit Rises to \$27.6 Billion [London AL-HAYAH 8 Mar]	4
Saudi Riyal Suggested as Arab Common Currency [Jeddah AL-MADINAH 6 Mar]	5
GCC Suffers Budget Deficits, High Debt [London AL-SHARQ AL-AWSAT 15 Mar]	7

PALESTINIAN AFFAIRS

Hamas Sources Accuse PLO of Smear Campaign [London AL-HAYAH 22 Mar]	9
Editorial Weighs Jewish Influence on U.S. Policy [London AL-QUDS AL-'ARABI 16 Feb]	10
Suha 'Arafat on Influence, French Relations [London AL-HAYAH 22 Mar]	11
Commentary Ponders British Motives in PLO Meeting [London AL-SHARQ AL-AWSAT 13 Mar]	13
Concern Over Possible Withdrawal From Gaza	13
Political Forces Divided [London AL-SHARQ AL-AWSAT 14 Mar]	13
Editorial Sees Opportunity [London AL-SHARQ AL-AWSAT 10 Mar]	14
Gaza Exports to Europe Down 97 Percent This Year [London AL-SHARQ AL-AWSAT 5 Mar] ...	14

ISRAEL

Regional Nonconventional Warfare Strategy [HA'ARETZ 4 Mar]	15
Call For Increased Municipal Police Presence [HA'ARETZ 5 Mar]	16

JORDAN

Visa Procedures at U.S. Embassy Described [AL-RIBAT 3 Mar]	17
--	----

KUWAIT

Finance Ministers Defend Spain Dealings [London AL-HAYAH 15 Mar]	18
AL-SHAL Report Backs Oil Privatization [London AL-HAYAH 6 Mar]	19
Public Concentrates on Investments, Prisoners [London AL-HAYAH 16 Mar]	20

LEBANON

Habashis Profiled, Defended, Criticized	21
Background, Self-Perceptions [London AL-MAJALLAH 10 Feb]	21
Data on 'Abdallah al-Habashi [London AL-MAJALLAH 10 Feb]	23
Criticism by Islamic Scholars [London AL-MAJALLAH 10 Feb]	24

MOROCCO

FIS: Members of Palace Entourage Connections [Algiers EL WATAN 28 Feb]	25
--	----

Growth of Islam, University Presence Discussed [Algiers EL WATAN 15 Feb]	26
Figures on Citizens in France [LA VIE ECONOMIQUE 12 Mar]	27
Accord Signed To Purchase Algerian Electricity [LA VIE ECONOMIQUE 5 Mar]	28

SAUDI ARABIA

Industrialization Faces Several Hurdles [London AL-SHARQ AL-AWSAT 22 Feb]	30
Bank Mergers, Condition, 1993 Outlook Analyzed [London AL-SHARQ AL-AWSAT 26 Feb]	32

SUDAN

Commentary Analyzes NIF's Multiple Stands [London AL-SHARQ AL-AWSAT 2 Feb]	34
Commentary Urges Correspondent's Release [London AL-SHARQ AL-AWSAT 11 Feb]	36
Press Association Deplores Correspondent's Arrest [London AL-SHARQ AL-AWSAT 11 Feb]	36

UNITED ARAB EMIRATES

Group Calls for Permanent Constitution [London AL-HAYAH 2 Mar]	37
--	----

REPUBLIC OF YEMEN

Salih on Relations With Saudis, Iraqis, UAE [London AL-SHARQ AL-AWSAT 6 Mar]	38
Salih Touts Elections as Solution To Problems [London AL-HAYAH 27 Mar]	38
'Umar Calls for Alliance of Ruling Parties [London AL-HAYAH 22 Mar]	39
Ruling Parties Declare Platforms [London AL-HAYAH 30 Mar]	39
Reports Claim 3 Billion Barrels in Oil Reserves [London AL-SHARQ AL-AWSAT 6 Mar]	42
Merchants, Government Blamed for Riyals' Decline [London AL-SHARQ AL-AWSAT 28 Feb] ...	42

SOUTH ASIA

IRAN

Rafsanjani's Son Becomes His Father's Special Envoy [London KEYHAN 4 Feb]	46
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REGIONAL AFFAIRS

Arabs Consult on Possible Israeli Gaza Withdrawal

93AF0482B London AL-SHARQ AL-AWSAT in Arabic
30 Mar 93 p 3

[Text] Cairo—The Arab parties to the peace process have informed Moscow and Washington about their rejection of any Israeli ideas that Yitzhaq Rabin's government might put forward regarding the possibility of withdrawing from the West Bank without Jerusalem. On the other hand, it is expected that in the next few days Palestinian meetings will be held in order to discuss a Palestinian project to deal with the vacuum that might occur if Israeli decides to implement its proclaimed intentions concerning unilateral withdrawal from the Gaza Strip.

Following their recent consultations, the Arab parties said that the Israelis' talk about incomplete withdrawal from the West Bank is, in effect, an attempt to escape from the responsibility of withdrawing from occupied Eastern Jerusalem and to evade the implementation of the Security Council and UN resolutions that compel Israel to withdraw, including withdrawal from East Jerusalem, which is provided for in Resolutions 242 and 338.

The Arab parties stressed that the setting up of a special committee within the framework of the multilateral talks in order to discuss the future of Jerusalem and the final agreement on the form of its administration is the only way to realize a significant and advanced step on the path to peace.

The Arab parties stated that all of the resolutions and measures that Israel has made in order to Judaize and "unify" the city are illegitimate and constitute a blatant violation of international law and international conventions. Well-informed Palestinian sources in Cairo told AL-SHARQ AL-AWSAT that important meetings will be held in the next few days between Palestinian President Yasir 'Arafat and several of the PLO leaders and the Palestinian delegation to the peace process, in addition to some Palestinian figures from the Gaza Strip. The purpose of the meeting is to reach a full agreement on the Palestinian project to administer the Gaza Strip if Israel implements its recently proclaimed intention to withdraw from that area.

The sources said that the Palestinian project is a preliminary step toward implementing autonomy, which will later include the occupied West Bank, so that the [plans for the] two areas will be completed before they are handed over to the Palestinian people and become the nucleus of the independent Palestinian state.

The sources stressed that preparations to hand over the Gaza Strip, the implementation of development projects, reconstruction in order to accommodate the sons of the Palestinian people, and economic development

will be the subject of a comprehensive study with other Arab countries, the foremost of which is Egypt, in order to discuss the necessary political, security, and economic steps.

AL-SHARQ AL-AWSAT has learned that the next stage will witness increased Palestinian-European contacts in order to gain European participation in the development of the Gaza Strip within the context of the pledges made by the EC [European Community].

But the sources said that the project to develop Gaza, to which the Arab countries will contribute, will be the subject of discussion by the Arab Economic Unity Council with PLO officials. It will be preceded by a meeting of Arab foreign ministers at the 99th Arab League session in April.

Iraqi Opposition Delegation Visits Kuwait

Kuwaiti Prisoners Said To Be Alive

93AE0397A London AL-SHARQ AL-AWSAT in Arabic
9 Mar 93 p 3

[Article: "Talabani: 'Iraqi Opposition Approves New Kuwait-Iraq Border Demarcation'"]

[Text] Kuwait—The head of the Patriotic Union of Kurdistan (PUK), Jalal Talabani, stated that the Kurdistan Front has agreed to the new demarcation of the Kuwait-Iraq border made by the United Nations.

Talabani, who arrived in Kuwait yesterday at the invitation of Kuwait's foreign minister, who is the first deputy chairman of the Council of Ministers, said that the borders that have been demarcated in accordance with international agreements are the natural and legal borders of Kuwait. He indicated that the Iraqi opposition, which was committed to international resolutions, has therefore agreed to the current borders.

At a press conference, Talabani said that Kuwaiti prisoners are alive in Iraqi prisons. They are moved constantly from one prison to another and are subjected at times to harsh treatment. He expressed his belief that Saddam Husayn was using the prisoners as hostages. Concerning efforts to unite opposition ranks, Talabani said that most of the Iraqi opposition was united within the framework of the Iraqi National Congress, although the nationalist current and the Da'wah Party were keeping their distance from the conference. Both the Supreme Council of the Islamic Revolution and the two sections of the Labor Organization had returned to the conference and participated in recent meetings in Salah-al-Din. Talabani listed the basic currents and forces that had joined ranks. He said that they included the democratic, Islamic, Kurdish, and nationalist currents, as well as the nationalist personalities who had participated in the united Iraqi conference.

Talabani explained that the Iraqi opposition at its recent meeting in Salah-al-Din had agreed to unite and train the

Kurdish forces. He said: "We are in process of forming a liberation army from the Peshmerga, military figures opposed to Saddam Husayn, and participants in the Iraqi popular uprising."

Talabani expressed his belief that the Arab states would offer sufficient support to the Iraqi opposition at a time when this opposition was receiving limited support from Western countries. Talabani held the Iraqi people partly responsible for Saddam Husayn's survival in power. He said: "As you put in power, so you will be governed." At the same time, he stressed that the Iraqi people had offered tens of thousands—nay, hundreds of thousands—of martyrs and victims and that large numbers of them were now in prison. Talabani implied that the Iraqi people were helpless. However, he said that the Iraqis must intensify their efforts and unite the opposition forces to overthrow the Iraqi regime.

Talabani stated that the Iraqi people could not approve or agree to the partition of Iraq. However, he said that Saddam Husayn had in effect partitioned Iraq when he withdrew his forces and administration from the Kurdish region and broke economic relations between Kurdistan and other parts of Iraq. Furthermore, he sent notice to the Kurds that he would be the first to recognize the independence of Kurdistan if the Kurds proclaimed their independence.

On the question of whether any oil shipments were being exported from the Kurdistan region, Talabani said that there was no intention to export oil from Kurdistan, despite the existence of oil wells that were already drilled and ready to produce.

Opposition Assured of Support

93AE0397B London AL-SHARQ AL-AWSAT in Arabic
8 Mar 93 p 4

[Article by Mahbub al-'Abdallah: "Iraqi Opposition Delegation in Kuwait"]

[Text] Kuwait—An Iraqi opposition delegation headed by Jalal Talabani and Mas'ud Barzani arrives today in Kuwait at the invitation of the first deputy chairman of the Kuwaiti Council of Ministers, Shaykh Sabah al-Ahmad al-Jabir.

The delegation is scheduled to hold talks during the visit with senior Kuwaiti officials about developments in the internal situation in Iraq and about the role of the Iraqi opposition and its plans for overthrowing the regime of Saddam Husayn.

Shaykh Sabah al-Ahmad has repeatedly announced Kuwait's concern for Iraq's territorial unity and for distinguishing between the actions of the ruling regime in Baghdad and the Iraqi people, who are suffering from the regime's persecution in the north and south.

Shaykh Sabah al-Ahmad also announced Kuwait's readiness to cooperate with the Iraqi opposition to confront the Iraqi regime, its terrorist actions inside and outside

Iraq, and the problems that the regime was causing for members of the Iraqi people and nations of the neighboring region.

Kurdish-Kuwaiti Relations Discussed

93AE0397C London AL-SHARQ AL-AWSAT in Arabic
11 Mar 93 p 5

[Article: "Amir of Kuwait Receives Talabani"]

[Text] Kuwait—The amir of Kuwait, Shaykh Jabir al-Ahmad al-Jabir al-Sabah, yesterday received the head of the PUK, Jalal Talabani, who is currently visiting Kuwait for several days on an official invitation. Informed sources said that the meeting concentrated on discussing Kuwaiti-Kurdish relations and the situation in Iraq, which continues to delay in implementing international resolutions. The first deputy chairman of the Council of Ministers, Shaykh Sabah al-Ahmad al-Jabir al-Sabah, met earlier with Talabani and informed him that Kuwait would cooperate with the Iraqi opposition to topple Iraqi President Saddam Husayn. On arrival in Kuwait, Talabani said that the Kurdistan Front, which includes the parties of the Iraqi opposition, approved of the new demarcation of borders between Kuwait and Iraq.

Following his visit to Kuwait, Talabani hopes to visit a number of Gulf countries to discuss possibilities for greater coordination and cooperation in the coming period.

Arab Support for Iraq Against Iran Analyzed

93AE0402A London AL-SHARQ AL-AWSAT in Arabic
26 Feb 93 p 9

["Arab View" column by 'Abd-al-Rahman Rashid: "The Alliance Mistake"]

[Excerpt] Many people in Kuwait, Saudi Arabia, and the other Gulf states are kicking themselves for supporting Iraq against Iran, believing that this support was the greatest of political sins. Because subsequent events have proven that Iraq's government was a greater danger to them, this conviction has greater popular currency today than ever before.

But whoever thinks back to the small but important details will recall that all of the Gulf states, without exception, sent envoys to Tehran and its new government immediately after the revolution with messages affirming their recognition of the government and their desire to cooperate with it, without getting involved in whose right it was to govern whom. But the Iranian media, which was surely the voice of the new government, immediately and menacingly began to export its revolution beyond the Gulf. These countries' fears were not illusions but realities. These kinds of actions are hard for any government to take without fear. The threats,

which had no justification, were the beginning of Iran's misstep with the Arab world—specifically, with its neighbors.

From that point onward, the Iraqi Government miscalculated, thinking that the internal chaos in Iran offered it the chance to seize the disputed oil-rich regions. The Iraqi Government took advantage of the unease and confusion of the Gulf states over Iran's threatening language, to push them towards one of two options: either to side with Iraq, or face Iran alone.

The Gulf's cooperation with Iraq did not actually begin until after the failure of Iraq's military plan to attack, the Iranians' ability to withstand it, and their marvelous ability to draft more than a million Iranians in the midst of a mad war. That posed the threat of the fall of Iraq and Iranian hegemony over the northern Gulf. Here, the Gulf intervention on Iraq's behalf was an essential strategic matter of protecting their borders and preserving the political status quo.

There were many clear signs that Iran did indeed want to attack the Gulf when it began its propaganda campaign threatening to export its revolution. It was followed by actual missiles fired at Kuwait and attacks on Gulf oil tankers.

The Iranians discovered their mistake too late when the Gulf states came into the war in spite of themselves.

The mistake of the Gulf states was not in siding with Iraq in its final years, but in the way they supported it, in such a way as to permit the building of a secret military arsenal that had nothing to do with the war against Iran, but which represented a plan for a new invasion. This was something hard to discern at the time, especially in a police state such as Iraq. But the principle of the Gulf conflict with Iran was justified to the extent that it was Iran that chose the language of threats and undertook to carry out the acts it had threatened, and it is making the same mistake again today. [illegible]

Kurds on Federation, Economy, Iranian Violations

Talabani Talks to Syrians on Federation

93AE0401A London AL-SHARQ AL-AWSAT in Arabic
18 Feb 93 p 2

[Article by Salwa Ustuwani]

[Text] Damascus—Kurdish leader Jalal Talabani expressed hopes of reaching a mutual understanding with Syrian officials regarding all matters related to the future of northern Iraq. He said that his discussions in Damascus will focus on the latest developments in the light of frequent reports regarding the idea of establishing a Kurdish federation in northern Iraq. Talabani arrived in Damascus the day before yesterday on an official visit. According to well-informed Iraqi sources, the Syrians will discuss with Talabani the Iraqi opposition and the idea of a Kurdish state. Syria rejects that

idea, which has been a primary concern of three of Iraq's neighbors [which have Kurdish minorities], Turkey, Iran, and Syria.

It is known that the foreign ministers of these countries met in the Syrian capital some days ago to study the idea of a Kurdish federation. They emphasized their rejection of this idea, stressing that their meeting is a message directed to the Western countries that are considering helping the Kurds establish an independent state. They further emphasized their support of Iraq's unity. This is reportedly Talabani's first visit to Damascus since March 1992. In a press conference with the Kurdish newspaper, KURDISTAN AL-JADIDAH, he stated that the National Kurdistan Federation, which he leads, "enjoys historical relations based on mutual trust with the people, party, and government of the Syrian Arab Republic, especially given that the federation was established in Syria in 1975." Talabani indicated that his visit "met with the approval and support of Mas'ud al-Barzani, who gave him an oral message to convey to Syrian President Hafiz al-Asad.

Iran Accused of Opening Borders

93AE0401B London AL-HAYAH in Arabic 17 Feb 93
pp 1, 4

[Article by Kamran Qara Daghi]

[Text] London—A high level Kurdish source in Irbil told AL-HAYAH yesterday that Iran opened its borders a week ago to a large flow of commerce to Iraq on the Qasr Shirin-Khannaqin axis (in eastern Iraq) in a clear violation of the international sanctions imposed on Iraq. The source added that other information indicates that the governor of al-Basrah visited 'Abadan to hold discussions with Iranian officials regarding the possibility of concluding a similar deal across Iraq's southern borders.

In another development, a delegation including Kurdish and British personalities conveyed the Kurds fears of attempts to "strangle them" economically to Douglas Hogg, British minister of foreign and commonwealth affairs, yesterday in London. The delegation called on Britain and other Western allies to provide more economic aid and to expand aid operations for the Kurdish area, which is suffering from an economic blockade imposed on it by Baghdad in October 1991.

The delegation included Hushyar Zibari, a member of the political office of the Kurdish Democratic Party representing the Kurdish administration; Labor Deputy Michael Meacher, who is the shadow minister for development affairs overseas; Bishop Trevor Huddleston, a well-known defender of human rights; and Fu'ad Hanari, who represented the Kurdish Cultural Center in London.

Zibari told AL-HAYAH that the delegation apprised the British minister of the difficult conditions being experienced by the population in areas under Kurdish administration. He described the meeting as "very positive." He added that Hogg stressed to the delegation Britain's

commitment to continue protecting the Kurds from any attack that Iraqi forces might launch against them. He said that the Western alliance has adopted a number of options to continue this protection. He stressed that his government is determined to continue the international sanctions against Iraq as long as Baghdad refuses to implement, unconditionally, all Security Council resolutions. The delegation called for the Western alliance to declare its commitment to provide permanent protection to the Kurds. Hogg promised that his government would study this proposal seriously and discuss it with its allies, especially the United States, as soon as President Bill Clinton's administration finishes laying the foundations of its policy regarding Iraq.

In connection with other contacts regarding Iraq, British Foreign Minister Douglas Hurd yesterday received Emma Nicholson, a Conservative member of Parliament, to discuss with her the situation in southern Iraq, which she visited a number of times to inspect the tragic conditions of Shiite residents, especially in al-Ahwar.

Economic 'Strangulation'

Kurdish source told AL-HAYAH that Kurdish leaders, politicians, economic experts, and university professors participated in a seminar held recently in Kurdistan at which they expressed a real fear of Iranian and Turkish measures that would attempt to "strangle" Iraqi Kurdistan economically.

They were of the opinion that statements made last month by President Clinton to THE NEW YORK TIMES indicating his administration's willingness to normalize relations with Saddam Husayn's regime had a negative effect on the Iraqi opposition in general and the Kurdish opposition in particular. They said the statements created an atmosphere that encourages parties in the international and regional alliance to weaken the alliance, a trend that Baghdad has exploited to the fullest.

In addition, Turkish measures to prevent Turkish truck drivers from transporting Iraqi mazut [diesel fuel] in commercial quantities have denied the Kurdish administration revenues from the tariffs that it collected from drivers, revenues that provided the primary source for paying the salaries of Kurdish officials. The economic and financial situation of the Kurdish administration has thus become critical in the absence of alternate financial resources, given the almost total lack of any foreign aid except that provided by international aid organizations, which does not cover the needs of all residents in areas under Kurdish administration. These hardships have been exacerbated by the cessation of aid operations on more than one occasion due to acts of sabotage engineered by the regime's agents. Under these conditions, it seems that many have naturally begun to complain and lose their hope and confidence in the Kurdish parliament and administration.

In another development, it is expected that the secretary general of the Patriotic Union of Kurdistan will begin

discussions in Damascus today with Syrian Vice-President 'Abd-al-Halim Khaddam in an effort to prompt countries neighboring Iraq to support the opposition National Iraqi Congress and to mollify them by telling them that the Kurdish leadership is committed to Iraq's unity and territorial integrity. A source in the federation stressed that the Kurds "consider relations with these countries, especially Syria, very important, and tension in these relations does not serve their interests." However, in this regard, he pointed to the Kurds' "dissatisfaction" with the tripartite Syrian-Iranian-Turkish meeting held last week in Damascus to discuss the situation of Iraq and northern Iraq.

GCC 1992 Deficit Rises to \$27.6 Billion

93AE0382A London AL-HAYAH in Arabic 8 Mar 93
p 10

[Report from Abu Dhabi by Shafiq al-Asadi: "GCC States Have 1992 Deficit of \$27.6 Billion"]

[Text] Arab Gulf Cooperation Council [GCC] states had total revenues of \$60.928 billion last year, for an increase of \$6.74 billion from 1990 revenues of \$54.854 billion.

The Gulf Organization for Industrial Consulting said in a statistical study of GCC budgets for the 1990-92 period that rising revenues were counterbalanced by a corresponding rise in expenditures.

It said that statistics compiled by the organization's data base indicate that total expenditures by the six GCC member states rose by \$19.65 billion, from \$68.912 billion in 1990 to \$88.552 billion in 1992. Aggregate deficit in the six GCC member states widened by \$13.605 billion in the same statistical period, from \$14.064 billion to \$27.669 billion.

The organization pointed out that Saudi Arabia's budget for the same two years shows an increase in revenues from \$31.466 billion to \$40.266 billion, while expenditures climbed from \$38.133 billion to \$48.266 billion and the deficit widened from \$6.666 billion to \$8 billion.

Kuwait's budgeted expenditures rose in the same two-year period from \$11.127 billion to \$18.638 billion as revenues dropped from \$7.364 billion to \$2.664 billion and the deficit widened from \$3.763 billion to \$15.974 billion.

United Arab Emirates revenues and expenditures remained fairly constant. Revenues, at \$4.070 billion in 1990, rose to \$4.320 billion in 1992. Expenditures rose from \$4.2150 billion to \$4.702 billion, and the deficit increased from \$182 million to \$380 million.

Omani revenues climbed from \$5.959 billion to \$6.376 billion as expenditures rose from about \$916.5 million to about \$1.174 billion.

In Qatar, revenues rose during the same two years from \$1.596 billion to \$2.299 billion, and expenditures went

from \$3.128 billion to \$3.189 billion, thereby narrowing the deficit gap from \$1.538 billion to \$890 million.

Bahrain's budgeted revenues similarly rose from \$4.399 billion to \$4.965 billion, and expenditures climbed from \$5.398 billion to \$6.216 billion. The budget gap widened over the two-year period, from about \$999 million to \$1.251 billion.

Saudi Riyal Suggested as Arab Common Currency
93AE0389B Jeddah AL-MADINAH in Arabic 6 Mar 93 p 17

[Article: "Why Fluctuations in World Currency Markets?"]

[Text] Cairo—AL-MADINAH Bureau—Confusion has prevailed in the world currency markets. The pound sterling exchange rates collapse, and the dollar runs in place, going up and down, while the mark bolsters its position day after day. Then in no time, all of the above indicators are reversed: The pound sterling catches its breath; the dollar exchange rate drops; the mark retreats, and we find the Japanese yen rising sharply and in an unprecedented manner.

It is such unprecedented disarray that some have called the decade of the 1980's decade and the early 1990's the "decade of troubled currencies."

Responsibility of International Monetary System

The existing international monetary system is directly responsible for the instability dominating the world's currency exchange markets. The way economic experts see it, their opinions can be summarized as follows:

1. Under the canopy of this system, member countries have not been permitted to make any kind of automatic correction of the flaw in the balance of payments, as was the case under the gold standard. This has caused a continuation of this flaw in the balances.

2. The principle of rotated flexibility in the exchange rates has led to a state of fixed exchange rates. Governments are compelled to change these rates under the pressure of the currency crises they encounter, thus causing fluctuations in the currency exchange rates, especially of major currencies, because their intervention promotes speculation in foreign exchange markets. Moreover, some currency policies embrace the floating exchange-rate system, with the value of foreign currencies determined in the market according to the law of supply and demand. Central Banks cannot intervene to correct exchange rates because of the cost they could incur for their intervention.

Some governments embrace the guided exchange-rate system. According to this system, the government enacts the floating exchange-rate system but acts as if it were dealing in accordance with the fixed exchange-rate system. Thus, it intervenes to direct the exchange rates in

a manner that accomplishes balance in accordance with the policy embraced by its central bank.

3. The stability and survival of this system has relied on the stability of the dollar value. Besides, the Bretton Woods system does not take into account the growing relative importance of the West European and Japanese currencies, despite the continuing and worsening deficit in the U.S. balance of payments.

Despite these opinions which are critical of the existing international monetary system, most economic experts and people concerned with economic affairs agree that fluctuations in the world currency markets are due primarily to the unstable political and economic conditions that have been prevailing throughout the world for sometime. This is confirmed by Dr. Sami 'Ali Hasan who attributes currency exchange-rate fluctuations in the recent period to international developments and international instability, both political and economic. Immense political developments have occurred in recent years, especially the downfall of what was known as the Soviet Union and the collapse of the socialist philosophy in East Europe and East Europe's inclination toward the liberal system and free economy. There have also been such events as Margaret Thatcher's defeat and success of the Democrats in the U.S. elections, said to have come to deal with the deteriorating economic conditions in the United States. Moreover, some currency tactics have been followed to preserve the currency balance. Some governments resort to raising the interest rate or loan rate, issue long-term treasury bonds, or sell or purchase treasury permits. Each government follows certain economic methods and tactics, and these changing economic tactics and policies create instability in the world economy. Moreover, swift communication and modern equipment provide the opportunity for fluctuation. We must not forget the impact of some major international crises and events, such as the Gulf crisis and the disarray it caused in the world currency markets.

Dr. Hasan also believes that future stability of the currency markets is tied to the stability of the dollar, which is the currency that can create balance. The EEC [European Economic Community] is new, and it will take a long time to unify European currency and make it a single currency. Consequently, the fundamental role in stability of the world currency markets belongs to the dollar. Some other currencies, such as the Japanese yen, have an impact also.

Arab currencies do not have a great impact because most of them are tied to the dollar and "I believe they will remain somewhat stable because they are tied to the dollar. Moreover, I do not expect that Arab currencies will experience a greater negative effects than the effects they are experiencing currently, considering that they have suffered from the drop in the dollar interest rate. Thus, higher dollar prices are likely to improve the position of Arab currencies."

Riyal as Common Arab Currency

Dr. Sami Hasan added: "We urge the Arab countries to establish a common Arab currency with which savings are made. The Saudi riyal is one of the most significant candidates, considering that it is a strong Arab currency. If we succeed, this common currency will have its weight vis-a-vis other countries' currencies."

Professor Rif'at al-Najdi, a member of the International Union of Islamic Banks, agreed with the opinion that political instability is the main cause of the instability experienced by the world currency markets because any country's political decision and economic decision are tied to each other. In light of this fact, we can interpret the fluctuations and instability prevailing in the world currency-exchange markets, especially in light of the political instability and of the immense international events the world has experienced in recent years, such as the Soviet Union's collapse, the Gulf crisis, and other major political developments. There will be no stability in the world currency market until the world attains political stability. In the United States and in numerous other countries, we notice the presence of what we may call politicization of the economic decision because the economic decision serves the political decision, as the political decision serves the economic decision.

The Arab countries, and the Third World in general, are backward economically, as they are backward politically. We must acknowledge this. The gap between the Third World and the advanced countries is widening. If the Third World countries do not take steps to prevent it, they could become a Fourth World, even a Fifth World.

Al-Najdi believes that as long as Arab currency continues to be tied to the dollar, it will be exposed to instability and will be inevitably influenced by what happens to the dollar. Regrettably, the Arab countries have not been able to agree to date on a common and strong currency that represents the Arab countries generally vis-a-vis foreign currencies so that Arab savings will be in an Arab currency instead of foreign currencies. He attributes the failure to develop agreement on a common Arab currency to disagreement in the Arab countries' economic policies. These countries do not have a unified economic policy. Moreover, each country tries to prove that its currency is the most eligible and the worthiest of being the common Arab currency.

International Crisis

Al-Najdi also attributes instability in the world currency exchange markets in recent years to the economic and political developments which the world has experienced recently, beginning in 1970 when the United States abandoned the dollar-for-gold exchange system and adopted the new currency system in accordance with which the International Monetary Fund and the World Bank were founded. Since then, the world has been experiencing fluctuations that have affected the currency exchange rates of all countries, and the international monetary system entered into a crisis that has not been

solved. Currency value is measured no longer by the degree of its gold cover. Rather, countries have been increasingly issuing currency without cover. A country's so-called economic performance has thus replaced the gold base. A country's economic performance means simply the volume of goods and services that can be made available by the country's goods and services apparatus. Consequently, foreign currency exchange rates are determined by the dimensions of international relations between countries and their impact on imports and exports. If we touch on the international developments and their impact on instability of the exchange rates, we find that the world is going through the labor of a phase that has a special character and in which economic blocs are shifting from cooperation to disunity and bickering. The economy has been restructured; the scope of the confrontation has broadened, and so have the spheres of international conflict, domination, and influence. The end of the Cold War, the disintegration of the Soviet empire, the tendency of all countries to let the market mechanisms do their work, their economic liberalization, their reliance on exports to the outside world to enable them to move from small projects to big project, and their search for constant and lasting markets—all of these elements have created fierce trade wars among all of the major economic blocs. "Currency war" systems and exchange rates are expected to be used as components of these wars. Meanwhile, some countries employ the policies of cheap financing and of sharply reduced interest rates to enhance investment activities and to boost their economies. It is expected that the world will experience cases of instability that will intensify with the escalation in international tension and with the tendency of the economic blocs to embark on trade wars under the umbrella of the continued domination of the single power.

Calculated Change

'Abd-al-Sattar 'Ashrah, head of the general exchange branch at the Federation of Egyptian Chambers of Commerce, believes that exchange rate changes in the currency markets are normal, as long as they do not reach the level of confusion, meaning that there are no sudden sharp increases followed by swift sharp decreases, which is the condition that we can characterize as confusion. In this phase, we can ascribe this confusion to political and economic disturbances and changes. This phase has witnessed the collapse and obliteration of certain economic creeds, such as the guided-economy creed. A free economy has prevailed. Generally, countries that shift to the free economy go through a transitional period and experience some troubles.

'Ashrah added: "The EEC countries are going through a transitional phase embodied in their tendency to move toward European unity and a common European currency, i.e. the ECU [European Currency Unit], which is just a computational unit, not a circulated currency, and which will coexist with the currencies of the member states. What has intensified the economic instability is

that disputes have developed among these countries, which are heading for unity, over the Maastricht treaty because of their conflicting economic interests and because of the attempts of some countries to raise their currency prices and the attempts of others to lower them. However, these countries have begun to overcome their disagreements over this treaty. Issuance of the European common currency will bring about a degree of stability to the international exchange rates. However, I do not preclude the possibility of fluctuations in exchange rates because of political factors, such as political crises that could develop suddenly or some significant political event, or because of some sudden economic developments and decisions. We can also say that it is possible to attain a state of semistability, and not of calm, in currency exchange rates when political stability is achieved in the world and when economic conditions stabilize in the countries that have shifted from guided economy to free economy, and also when European unity is achieved and the European common currency is issued. All these are factors that will have their impact on stability of the international currency exchange rates."

"As for Arab currencies, they are tied to the dollar. Therefore, they are not greatly affected by the rise and fall of international prices. Their connection to the dollar makes their exchange rates nearly constant. The negative ramifications of sudden changes in international exchange rates will affect those who have their savings in foreign currencies if they are not careful and vigilant of the market activity. If they do not confront possible fluctuations in prices promptly, they could incur large losses."

GCC Suffers Budget Deficits, High Debt

*93AE0392A London AL-SHARQ AL-AWSAT in Arabic
15 Mar 93 p 13*

[Speech by 'Abd-al-Latif al-Hamad, president and director general of the Arab Development Fund, to the Gulf Economic Forum in Bahrain: "Challenges of the Decade for GCC Nations; Dealing with Budget Deficits, Debts, and Expediting Integration"]

[Text] The Arab Gulf nations are passing through comparable phases with regard to economic growth because these countries enjoy similar resources, circumstances, and bases of diversified growth, and share similar economic horizons. Everyone has been affected by the recession, which has struck at oil profits. They are changing now from growth directed by the public sector to another growth form, where the importance of private sector initiatives is paramount. At the present time, Gulf governments are trying to encourage the private sector to expand, benefiting from a base of advanced infrastructure, in order to make a transition toward providing more complex services and undertaking a greater number of profitable commercial ventures.

Today, nearly two years after the end of the Gulf war, the economic horizons for the Gulf region appear promising.

The recovery achieved by share prices in a number of Gulf countries, the continually growing budgets that were submitted in 1992, the lowering of interest rates on Gulf currencies (in keeping with dollar rates), and the rising rates of consumer spending all point to growing business confidence and the possibility of improved economic circumstances in the future. In addition, the financial burden that the war in the Gulf represented has been eliminated, and economic circles hope that additional expenditures will be equaled by increased oil profits and by borrowing from local and international markets.

Independent governmental agencies will continue to rely on local and international markets to finance their expansion plans.

The sole point of weakness appears in the oil sector, where the Gulf region is preparing to face a drop in oil prices and the ensuing decrease in oil production shares, in order to adjust to the expected, gradual return of Iraqi crude to the world oil market.

Solving the Gulf crisis has resulted in turning the international community's interest toward the promising economic horizons of the Gulf region. The new world order and the demise of communism in the republics of the Soviet Union and Eastern Europe, in addition to the ongoing peace negotiations in the Middle East, have all shared in improving the region's geopolitical climate. This has been marked by the return of capital influx seeking local investment opportunities during the past 18 months. By mid-1992, to a considerable degree, the difficulties in obtaining the required liquidity, which had confronted the region for the past two years, had been overcome. Expectations point to a continued rise in the non-oil gross domestic production (GDP) growth rate that was recorded last year. At the same time, a slight downturn is expected in the oil sector, in light of the anticipated drop in oil prices and production levels. This, however, will cause a decrease in GDP growth for 1992, compared with the previous two years.

The GDP growth rate (in commercial market prices) for Saudi Arabia in 1991 was estimated at 8.4 percent compared with 22.5 percent for 1990. In Oman, the gross national product [GNP] rate dropped 1 percent in 1991, following a growth rate of 26.4 percent recorded in 1990. In the United Arab Emirates, the GDP rate declined 2 percent in 1991, from its 22.8 percent level in 1990. In Kuwait, the GDP rate was 5 percent in 1991. In Qatar, the GDP dropped to 2.5 percent in 1991 from its level of 13.5 percent in 1990. Finally, the GDP growth rate in Bahrain dropped from 8.9 percent in 1990 to 2 percent in 1991.

However, the most serious danger that faces fiscal policies in the region lies in the continuing budget deficit. If the spending deficit continues throughout the nineties, it would double or triple the debt servicing burden for all Gulf nations. Accordingly, this emphasizes the importance of immediately reevaluating these policies, in

order to avoid any negative impact to which the potential capacity of the Gulf nations might be exposed.

The creation of the Gulf Cooperation Council [GCC] helped to facilitate and establish organized, joint activities within the framework of signed agreements. In investment fields, Article 4 of the GCC Charter of 1981 contains a summary of the state agencies' mission, since it created a suitable and balanced climate for investment in the GCC nations, by means of unified or harmonious laws and regulations in the following fields:

- A. Economic and financial affairs
- B. Trade, customs, and communications
- C. Legislative and administrative matters

The Unified Economic Agreement was concluded to set and clarify these goals. The most important goals are:

- Freedom of movement for individuals and capital; elimination of customs and noncustoms obstacles; achieving a unified customs system; coordination of import and export policies and regulations; unification of investment laws and regulations; coordination of financial, monetary, and banking policies.
- Encouraging the private sector in member countries to establish joint projects, especially in industry, agriculture, and services, with the participation of public, private, and mixed capital, in order to achieve economic integration.
- Coordinating industrial activities and fashioning policies and measures, aimed at achieving industrial growth, establishing industrial legislation and rules, and encouraging the establishment of complementary industries in member nations.

One must emphasize here that, at a time when these organizational and legal aspects take on maximum importance, they must be considered the highest aspiration, but their effectiveness is limited to being general guidelines, without any authority—in actual fact—to apply them. Accordingly, the real challenge lies in how to transform these aspirations and signed agreements into realistic, tangible action.

Within the framework of the GCC, the investment process has entered the stage of formulating regulations and measures in a way that will reflect the goals stated above. In this regard, the most prominent accomplishments so far that have a direct influence on the investment process are as follows:

- Allowing producers (either individuals or companies) to export their products directly to any of the member countries without requiring a local agency.
- Dealing with all means of transportation owned by citizens of GCC nations on an equal basis in all member countries.
- Giving GCC citizens the right to conduct wholesale and retail trade in all member countries.
- Giving GCC citizens the right to obtain loans from any bank or fund in any of the GCC nations, to purchase or transfer shares in corporations.

- Making all GCC citizens equal with regard to taxable transactions.
- Eliminating customs duties for all national products.

In 1983, the GCC established the Gulf Investment Agency with capital of \$2.1 billion. At the present time, this agency contributes to four projects and studies the possibility of investing in others.

The GCC Board of Specifications and Standards was also created to share in setting unified standards and specifications for national industries and for imported commodities.

At the present time, a study is under way to create a patent office, in addition to an arbitration center to settle disputes that might arise from investment activities.

In order to improve the legal climate required for investment, the GCC nations have agreed to establish legislation and institutions that will have direct influence on the investment process and on economic activity in general. At the present time, a rough draft of another trade law is being drawn up, pertaining to insurance. This law will be valid in all GCC nations. Concurrence has also been given to joint, general guidelines to establish a unified economic framework. Moreover, at the present time, the GCC nations are taking the necessary steps to unify stimulus policies.

These accomplishments might appear to be modest, but the points of similarity in the GCC member states' economies makes the attainment of any progress more important than it seems. However, because of that, greater opportunity will be given for cooperation and coordination, especially as pertains to doing business with the outside world. At a time when the world bears witness to the universal importance of economic activity, the GCC nations face a challenge, represented by expediting the process of integration and implementing the general guidelines of the Economic Treaty.

This would result in a lessening of the obstacles facing the investment process in the Gulf, which cannot be considered an easy process because many investors find various obstacles and restrictions involving administration, market volume, increased cost of the production unit, backwardness of the legal and financial framework, and the slow pace of economic activity in the region.

A close look at these obstacles leaves no room for doubt concerning the seriousness of the condition from which the Gulf economies suffer. One cannot face challenges without exerting enormous and organized efforts to accomplish the following:

- Dealing with structural flaws in the GCC nations' economies;
- Expanding local markets;
- Intensifying the process of integrating GCC economies; and

- Solving the schism between national sovereignty and regional interests.

In order to deal in more detail with this subject, one must agree that the following characteristics will continue to be in the ascendancy:

- That all GCC economies are marked by the fact that they rely on a sole source for income;
- That GNP growth depends, to a large degree, on prices and demand for oil being subject to fluctuations of the international market;
- That the lack of the required number of businessmen capable of evaluating investment opportunities, and their risks, will continue; and,
- That national manpower is limited and, consequently, reliance on foreign labor will continue in the future.

Decision-makers in the GCC nations acknowledge these difficulties. Nevertheless, the Gulf region enjoys several positive factors, most importantly the element of stability, the region's potentiality, the plethora of financial resources, energy resources, freedom of capital movement in market-directed economies, and a modern commercial and specialized banking network, linked by firm ties to international markets.

With all that, achieving any important progress in private investment, either locally or internationally, in the Arab Gulf nations, will require a clear economic strategy to be adopted by the countries concerned. Such a strategy must be based on realistic economic policies that seek stability at home without neglecting continually developing relations to link local economies with international economies.

In fact, applying such a strategy should be marked by the following factors:

- Social cohesion;
- Economic diversity;
- Investment zeal; and
- Market dynamics and movement.

However, one can only achieve that by:

- A general and stable institutional framework based on: —Modern laws and regulations to protect public interests, defend stability, and protect private property; —Practical and rapid measures to insure respect for laws and to settle any disputes without delay or complication; and, —Honest government agencies that exercise their powers effectively and impartially.
- Opening investment opportunities in profitable projects to the private sectors in GCC countries, without any restrictions;
- Studying and evaluating the experiment of Dubayy's free trade zone, and the possibility of expanding it to include other areas in the region;

- Modernizing the financial sector. Here, importance should be placed on training and research activities, because they are one of the basic factors in this field;
- While obtaining hard currency and utilizing labor are not among the main goals of the investment process in GCC nations, factors of profit, competitiveness, and growth must occupy a place of priority among investment goals.

PALESTINIAN AFFAIRS

Hamas Sources Accuse PLO of Smear Campaign
93AA0020B London AL-HAYAH in Arabic 22 Mar 93 p 3

[Article by 'Ali Nimr Salih]

[Text] A source close to the Hamas movement has accused certain PLO figures of being behind what he described as biased rumors aimed at sowing doubts about the movement's leadership. The source said that there are reports that confirm this. The source declined to identify these figures, but stressed that "they are preparing to launch a media campaign against Hamas that will reach its peak after the Ramadan holidays. He expressed his readiness to expose their identity later.

The source was replying to a question by AL-SHARQ AL-AWSAT regarding what the Israeli paper HA'ARETZ said in an article by its political editor. The article quoted U.S. sources about contacts that took place between Hamas elements in the occupied territories and the U.S. Embassy in Tel Aviv and the U.S. consulate in Jerusalem. The paper also said that some of the Hamas leaders whom Israel expelled to southern Lebanon have been a source of information for the Americans.

The paper said in its report that the deportees include a number of collaborators with Israel who were expelled by the Jewish state in order to spy on the deportees and obtain information about what it described as "terrorist networks" that have carried out operations in the occupied territories.

In response to a question about the objective of this campaign, particularly because relations between the two sides have been improving since the meetings in Khartoum and Amman, the source said: "The objective of the new campaign is to strike at the immense popularity Hamas gained in the occupied territories as a result of the deportees issue and the effective operations it carried out at home."

On the other hand, an official spokesman for Hamas denied that contacts have taken place between the U.S. Embassy in Tel Aviv and Hamas. In a statement to AL-SHARQ AL-AWSAT from his headquarters in Amman, Ibrahim Ghawshah said that "no contacts have taken place, either before the issue of deportees was raised or after it." He stressed that the only contacts that were held with the Americans took place in Amman after the deportees issue came to the forefront.

Ghawshah said that "these accusations are unfounded, and the purpose behind them is to cast doubts on the deportees and some of their leaders who have been gaining respect and appreciation on the Palestinian, Arab, Islamic, and international levels."

Muhammad Nazzal, the Hamas representative in Jordan, said: "I have no information about contacts taking place between Hamas and the United States before the deportees issue was raised." He added: "If such contacts took place we would have known about them, but sometimes the embassy sends people to obtain information regarding specific issues. Therefore, if any contact has taken place it would not go beyond this framework."

On another level, a Hamas spokesman in Tehran denied reports that a meeting will take place in Tehran on the occasion of celebrating Jerusalem Day between representatives from Hamas, Islamic Jihad, and "Hizballah-Palestine." It has been reported that representatives from the three movements will hold a conference in order to set up a unified leadership that will be called "the Islamic Conference for the Liberation of Palestine."

'Imad al-'Alami told AL-SHARQ AL-AWSAT that these reports are unfounded, that the celebrations in Tehran are popular and not official, and that Hamas has not been invited.

Editorial Weighs Jewish Influence on U.S. Policy

93AA0011A London AL-QUDS AL-'ARABI in Arabic
16 Feb 93 p 11

[Editorial: "Clinton and the Leap Over Obstacles" by Ahmad Bin-Yusuf, director of the Yusr Foundation for Study and Research]

[Excerpts] The new American administration's appointments of well-known Jewish personalities and some people known for their bias toward Israel to sensitive positions relating to Middle East issues has sparked many questions about the credibility of the promises Bill Clinton committed himself to during his election campaign, with the redoubled power of Washington's lobbies and the followers of an independent and evenhanded Middle East policy. Before risking an attack on, or disparagement of "American credibility," and thus a judgement on the new president's ability to adopt unbiased policies toward the Middle East, we must review the map of Jewish representation in Congress, in the Senate and the House, as well as the positions of the Democratic and Republican parties on Middle East issues, particularly on the Arab-Israeli conflict and related political support and military and financial aid to Israel. This will give us a single yardstick for examining the background of the president's directions, his attitudes, and decisions.

If we backtrack a little to think and calculate—we see that the rate of representation has greatly, palpably increased in recent years. In 1963, for example, there were only two Jews in the Senate. In 1977, the number

rose to five, and in 1982 there were eight Jewish senators and 31 representatives. Now there are 10 senators, including two women, plus 33 Jewish representatives in the 435-member House of Representatives. This number represents 7.5 percent of House membership, meaning that the present 103rd Congress, in both the House and the Senate, includes 43 Jewish members, whose actions plainly are motivated by their adherence to Jewish tradition, history, and beliefs. Despite the fact that Jewish congressmen represent many and varied geographic and ethnic backgrounds, we can find almost no reflection of this diversity in partisan political action. Of the 10 Jews in the Senate, we note only one Republican, Arlen Specter of Pennsylvania; in the House, there are 26 Jewish Democrats among the 33. As is well known, Jews have been—historically—one of the most pro-Democratic ethnic groups, as it has been the party most defensive of minorities. When the Jews emigrated from East Europe in the 1920's and 30's, the Democratic Party was more inclined to deal with their issues, and it was called "the immigrants' party." Roosevelt and later Kennedy supported this policy for nearly a whole generation, while the conservative Republican Party, in the view of some, was the part of people who spoke of "the Christian nation" and "family values."

If we go back to the facts and figures of 1965, we see that there were 14 Democrats of the 15 [Jewish] members of the House of Representatives. President Reagan tried, during his presidency, to attract Jews to the Republican Party, and succeeded: between 1981-85, there was an equal number of Democratic and Republican Jews in the Senate.

Here the question arises, to what extent does a given politician, candidate or political platform support Israel? And what do the Democratic and Republican Jews do in Congress?

Of course, American Jews are not only overwhelmingly supporters of Israel, they have broadened the scope of activity for it: You can scarcely find an American Jew who is not organized in working groups such as the Israeli-American Committee, the Council of Presidents, or other political, charitable, cultural, or media organizations. Their long political history on the American scene has recorded pages and pages testifying to their ability to organize the Jewish vote and to collect funds and aid for those who vote in support of Israel, and public support for the political process. Average Jewish participation in national elections is nearly 90 percent, versus the national average of the public at large, which is between 40 and 55 percent.

Thus it is not surprising to see the result of the poll conducted by MOMENT magazine in February 1993 among Jewish members of the U.S. Congress on the question of support for Israel: absolute unanimity. This is, in their view, an issue not open to debate. [passage omitted]

The Jewish presence in Congress is more real than ever and has clearly defined plans to serve Israel's higher interests and to strengthen the strategic relationship between Israel and the United States in order to make Israel a permanent necessity for American interests in the Middle East.

On the other side of the American political arena, Arab and Islamic organizations have been thwarted by the arrival of prominent Jewish persons known for their pro-Israeli bias [passage omitted] without corresponding appointments of Arab personalities to maintain the political balance in the new administration. This weakens chances for fair dealing on Middle East issues, and some Arab, Islamic, and American organizations and societies see these as blatant signs of a policy of favoritism, stinginess, and double standard, all in favor of Israel. There are many examples of this, chiefly the postponement of the U.N. vote on imposing sanctions on Israel for its flouting of Resolution 799, calling for the return of the Palestinian deportees to their homes. And there were the statements of an official in the State Department, saying that the U.S. had decided to add Hamas to the list of "terrorists" in its annual report for 1993! It was a decision criticized by Arab and Islamic communities and organizations for being the fruit of the wicked pact between Israel and the United States in the category of double standards and reciprocal rights in the their strategic alliance since 1983. It is also an integral part of the American view of the solution, which is based on the suppression and marginalization of the forces that reject the swindle of American initiatives or Israeli peace plans.

Anyone who looks into the history of U.S.-Israeli relations finds that over the course of four decades or more, the Jewish community and Israel have been able to build a highly complex network of strategic interests and issues, which has cultural, religious, and political dimensions and roots common to both countries, which has strengthened the existing bond between them, so that this tie may not be broken except by the collapse of the power and might of the American side. That can happen only in one of two cases: the collapse of the American superpower or a rise in the influence of the Arab and Islamic powers to the same level as that of the Jewish minorities.

Israel will continue to seek a functional, service role for itself that will preserve its pledge in a secure place among America's power priorities and the aims of Western civilization. One may note this easily; when the weakness of Israel's functional role occurred upon the collapse of the Soviet Union, and the marginality of its strategic role was clear in the wake of the second Gulf War, there were warning cries of a new, coming danger threatening Western interests: Islamic fundamentalism, according to the claims of the Jewish press and Israeli officialdom!

The active Zionist lobby and Jewish members of the American Congress will continue to act as one group pushing for Israel's interests—a direction the new

Clinton administration will be able to deal with only by having a biased relationship with it, with the view that the Arab-Israeli conflict is a matter of "Israel's life in danger." Thus it seems doubtful that this new administration will put any pressure on Israel to urge it to offer concessions, meaning that the Arabs and Palestinians in particular are expected to give in even more, if they want this deal, managed and overseen by Washington, to achieve any goal or end.

Suha 'Arafat on Influence, French Relations

93AA0020A London AL-HAYAH in Arabic 22 Mar 22
93 p 20

[Interview with Suha 'Arafat by Randah Taqiy-al-Din in Paris; date not given]

[Text] Paris—Danielle Mitterrand, wife of the French President, who heads the French association France-Libertes last Thursday received Suha 'Arafat, wife of Palestinian leader Yasir 'Arafat, at the joint initiative of Pierre (Percy), chairman of the French Committee for Human Rights, and Ibrahim al-Sus, the PLO representative in France.

After the meeting, Mrs. 'Arafat spoke to AL-HAYAH about her discussions with Mrs. Mitterrand and other matters. Mrs. 'Arafat, who heads "Palestine of the Future," said that Mrs. Mitterrand, who is head of the France-Libertes foundation, held the meeting in order to get acquainted. Mrs. Mitterrand is a defender of human rights and the rights of oppressed people. Contrary to common stereotypes about first ladies, Mrs. Mitterrand has engaged in real struggle. "I have discussed with her our joint work within the context of those two associations," Mrs. 'Arafat said.

She added: "Mrs. Mitterrand has not been close to the Palestinian people and their situation because she has been preoccupied with the problems of other people, such as the Kurds and the Armenians. She is also preoccupied with South Africa. The Palestine problem has been somewhat distant from her. The purpose of the meeting was to convince her to help the Palestinian people. The meeting was attended by Ibrahim al-Sus, her aide (Raphael Touep), and chairman of the Human Rights Committee Pierre (Percy). I explained to Danielle Mitterrand that despite the fact that we are involved in peace talks, Israel is carrying out provocations in the occupied territories. Mrs. Mitterrand showed great sympathy for the Palestinians in Gaza, but she said that violence often precedes peace."

Mrs. 'Arafat said: "We agreed to take practical steps together, and she has pledged to seek treatment in France for the children who have been wounded in the intifadah. Five of these children will immediately be brought for treatment. We have also agreed to establish a nongovernmental organization in occupied Jerusalem and Gaza and to cooperate in setting up a Palestinian cultural center, which we will try to locate in Paris. In

fact, I was surprised by the sympathy that Mrs. Mitterrand showed during the meeting. She donated medical equipment for al-Ittihad Hospital in Nabulus. It was also decided during the meeting to have Palestinian children spend some time in France and mingle with French children. Mrs. Mitterrand also placed her working team at our disposal to help us within the framework of cooperation between our two organizations."

[Taqiy-al-din] Who will follow up on these agreements?

[Arafat] There is a team in Tunis that will do this. Also, Mr. al-Sus will follow up the agreements in Paris. I have made agreements with some women in African countries, as well as some Arab women who have expressed their readiness to help the Palestinian people. What hurts is that initiative are being made by foreigners before they are made by Arabs. I would like to appeal to other first ladies of Arab countries to join me in providing help. I will soon start a tour of Africa, beginning with the Senegal, where the wife of President Abdou Diouf heads a humanitarian institute. I conveyed a message to Mrs. Mitterrand from a delegation of Bosnian women who I met with in Tunis before I came to Paris. We jointly established a joint committee called the "Society for the Protection of Bosnian Women." The delegation seeks Mrs. Mitterrand's help in protecting Bosnian women against repression and rape. President Arafat has sponsored 20 Bosnian children. On the occasion of the month of Ramadan, I call on all concerned to contribute to the treatment of Palestinian children and to consider this as their alms.

[Taqiy-al-Din] How do you help Abu-'Ammar [Yasir Arafat] with his work?

[Arafat] I help him with humanitarian issues. Abu-'Ammar is not in need of political help. He has the entire Palestinian leadership on his side. He is a first-class politician, but I try to bring the people closer to him. I receive everybody in my modest home, particularly those people who are unable to reach him.

[Taqiy-al-Din] Everybody wonders whether Abu-'Ammar wants an heir. Are you ready to be the mother of his child?

[Arafat] Naturally, I am considering the matter. Abu-'Ammar is a believing man. He keeps saying: "You will want only what God wants." God willing, we will have a child.

[Taqiy-al-Din] Do you believe that your life has become more difficult since you got married?

[Arafat] Of course it has become more difficult. I am in Paris, but I cannot leave the house. The French Government is trying to protect me, and so I do not go out. I love to be free, and Paris is a city in which I lived and went to school. Frankly, the life of celebrities is not pleasant, but I am prepared to sacrifice my freedom for the sake of Yasir Arafat and the Palestinian people.

[Taqiy-al-Din] Are you tired of your new life-style?

[Arafat] Of course it is not a natural life. He is always busy and has guests and meetings. Often, I do not see him before 0300, and sometimes I do not see him at all. As for moving from one house to another, it is a very difficult thing. You have to be a Palestinian to be able to live such a difficult life. Yasir Arafat totally devotes himself to his struggle. He believes in his destiny, and, as I have already said, sacrifice is necessary.

[Taqiy-al-Din] Some Palestinians expressed their displeasure about this marriage.

[Arafat] Initially this was natural, because they were accustomed to Abu-'Ammar's being a bachelor, and he devoted himself entirely to them. But their displeasure lessened when they came to see that I have absolutely changed nothing in his life. Rather, I have added to something to its moral and positive aspects. This of course has reassured the ones who were displeased, particularly because I follow him in any direction he decides to take. Moreover, my presence beside him enables me to remind him of his civic duties toward those around him, such as congratulating people on the occasions of births and marriages. These are simple things and have no impact on decisions in general.

[Taqiy-al-Din] What is the truth about differences between your husband and your mother, Raymonda al-Tawil?

[Arafat] This is not true. My mother was in Tunis for a month, and we came to Paris together. The problem is that many rumors have been circulating. I have read about them in the press, and I thought that they were talking about a different person. I wonder about the journalists' ability to fabricate stories. They have spoken about the PLO's funds and many other things. But it is a fact that my father owns a bank and is the founder of the Ottoman Bank, and my grandfather was a feudal lord in Palestine. I decided to give up that life in order to live in an atmosphere of revolution and struggle and to live by the side of a struggler who owns only two uniforms and a modest house without any kind of luxury.

[Taqiy al-Din] But I have heard these rumors from Palestinians?

[Arafat] Any person in a position of power is the target of criticism. Look at poor Princess Diana, who has been the target of many rumors, and British Prime Minister John Major, too. The natural actions of people in power suddenly become abnormal.

Mrs. Arafat concluded her talk by urging Arab women to participate in helping the association she has established, so that every family will help an Arab child. She will not be asking for donations, but encourages Palestinian families to carry out joint projects to help the Palestinian people.

Commentary Ponders British Motives in PLO Meeting

93AA0012B London AL-SHARQ AL-AWSAT in Arabic
13 Mar 93 p 3

[Article by Wafa'i Diyab: "Munich Complex and Hogg-Husayni Meeting"]

[Excerpt] London—[Passage omitted] Perhaps the British Government's recent decision to resume dialogue with the PLO falls within the context of secretly stirring the old British guilt complex and preparing the way for an influential British role in the peace negotiations which are almost certain to be resumed on the 20th of next month. It is not at all unlikely that to the British, the effects of the Palestinian issue on world peace are similar to the effects of the Czech and Polish issues prior to World War II. Because of laxity on those two issues, Hitler's ambitions escalated, and he embarked on the war with all his might.

Therefore, the meeting of Douglas Hogg, the British minister of state for foreign affairs, with Palestinian leader Faysal al-Husayni in London is not an ordinary event, especially at this particular time, when the peace process has reached a crossroads. It has been circulated in the British political circles that other meetings will be held between the British and Palestinian sides at a later time without regard for the reservations or objections of some parties.

It cannot be said that the Palestinian and British positions have come close to being identical, but it can be said that the two positions have agreed to complement each other. Neither side wants to shut the door in the face of the other. Rather, each side wants dialogue and negotiations to interact and move closer on the path to a solution.

Concern Over Possible Withdrawal From Gaza

Political Forces Divided

93AA0009A London AL-SHARQ AL-AWSAT in Arabic
14 Mar 93 p 6

[Article: "Palestinians Insist on 'National Linkage' of Gaza Strip and West Bank"]

[Text] Amman—A climate of anticipation and concern has developed in the occupied Gaza Strip as a result of Israel's allusion to unilateral withdrawal from the Strip.

Even though there is a strong tendency demanding this withdrawal, the debate is not over the principle of withdrawal itself, but over whether it is better to have a unilateral withdrawal or withdrawal in accordance with a political accord.

Those demanding unilateral withdrawal justify it by citing Israel's deteriorating security and by their entry into a maelstrom of fear that has begun to prevent them from leaving their homes at night, even deep inside

Israel. These Israelis believe that there is no solution to this problem at present, because waiting for peace means opening the door for the fall of large numbers of Israelis. This tendency is supported by a number of ministers in Rabin's cabinet.

As for those who reject unilateral withdrawal and support a withdrawal based on a political accord, they have a broad base among Israelis, cabinet ministers, and Knesset deputies, including former Likudist Defense Minister Moshe Arens.

Those who have this tendency believe that unilateral withdrawal is tantamount to fleeing the Gaza Strip and that this will lead to numerous problems, the most significant of which is that the strip will turn into a major "terrorist" base and another Lebanon for the Palestinians. Therefore, such withdrawal will lead to increased Palestinian acts of violence in occupied Jerusalem and the West Bank because the Palestinians will realize that violence has borne fruit and that it is the only way to force Israel to withdraw.

Yitzhaq Rabin's cabinet cannot deny its dilemma regarding the issue of withdrawal from Gaza Strip, considering that it is an issue projected at the popular, governmental, political, and security levels. In a public poll conducted in wake of the latest operation in Tel Aviv, 33 percent of the Israelis supported immediate unilateral withdrawal from Gaza Strip. Moreover, Prime Minister Yitzhaq Rabin has acknowledged before the Knesset Foreign Affairs and Security Committee that Israel "is in a fix." The question that poses itself now is: Is there a scenario by which the Israelis can be persuaded to submit to the fait accompli now that frustration and despair have begun to dominate them? Rubin Hazaq, former deputy chief of the Shin Bet, said: "Regrettably, the only solution to political stabbings is a political solution. We have to continue to live with this condition until peace is achieved with the Palestinians. The negotiations must be pushed forward swiftly. We must not view negotiations with the Palestinians from the position of the victor but from the angle that time is not working in our interest."

On the basis of the broad controversy going on in Israel over this issue, it can be said that withdrawal from Gaza does not have the full support of Israelis. Opposing voices are nearly drowning the military voices that have been calling for withdrawal in accordance with a military plan they have submitted to Rabin. This plan is based on establishing a tight blockade on and around Gaza Strip, thus turning it into a "ghetto" that is difficult to get into or get out of until the special forces, the border guard forces, the army, and the police complete their search for weapons and for wanted Palestinians.

In light of the Israeli withdrawal tendencies, voices have risen at home and in Gaza Strip to emphasize that it is not beneficial to have a unilateral Israeli withdrawal because this means that Israel is planning for igniting a Palestinian fire in the Gaza "ghetto."

Within this context, Dr. Haydar 'Abd-al-Shafi, head of the Palestinian delegation to the peace negotiations, has denied what has been reported about a unilateral Israeli withdrawal from Gaza Strip. He has stressed that it is necessary that Palestinians be notified in advance of any step of the sort so that they may ask the United Nations and Egypt to preserve order there.

Ehud Barak, the chief of staff, and Amnon Shahal, his deputy, said that the Israeli Defense Force will implement any policy drafted by the government for withdrawal from Gaza Strip, which Yitzhaq Rabin wishes could be drowned in the sea.

Within the same context, Hamas announced through Ibrahim Ghawshah, its representative, that consultations have been held among a number of Palestinian factions on the possible sudden withdrawal of the Israeli army from Gaza Strip.

Ghawshah revealed that meetings have been held in this regard between Fatah, Hamas, the PFLP [Popular Front for the Liberation of Palestine], and other factions because Israel's withdrawal from Gaza Strip is a very important issue that must be tackled promptly, especially since there are daily pressures within the Zionist entity for unilateral withdrawal from the Strip.

It seems that the prevalent tendency among the Palestinian factions for dealing with withdrawal from Gaza is to tackle this issue seriously and through a broad debate among all the Palestinian factions so that this withdrawal will not become a poisoned gift to the Palestinian people.

However, there is an opinion to the effect that if Gaza Strip is Israel's Achilles' heel, not just because of its valiant uprising but also because of numerous other reasons, then it is a grave mistake to reach agreement on Israeli withdrawal from the Strip unless this agreement is tied to similar Israeli withdrawal from the West Bank because the Strip and its population density are the main burden to the Israelis. This is in contrast with the situation in the West Bank. Therefore, national linkage must be made between the West Bank and Gaza Strip in any solution.

Editorial Sees Opportunity

93AA0009B London AL-SHARQ AL-AWSAT in Arabic
10 Mar 93 p 9

[Abd-al-Rahman al-Rashid Editorial: "Withdrawal From Gaza"]

[Text] Palestinian Delegation Chairman Dr. Haydar 'Abd-al-Shafi's statement about Israel's unexpected withdrawal from Gaza has surprised everybody because it has added a new dimension to the problem. Despite 'Abd-al-Shafi's apprehensions, there is a remote possibility that the Israeli Government will resort to withdrawing without listing this withdrawal in its negotiation program. But what is indubitable is that Israel has wished to get rid of Gaza for a long time, especially since

the start of the intifadah. In Israel's opinion, Gaza represents nothing but a big refugee camp and, as a small and blockaded geographic strip with meager basic services and with missing security control, it has no strategic value.

The Israelis may resort to a sudden withdrawal if they develop two fundamental convictions: First, and most important, Gaza has no negotiating value, and, second, such withdrawal could preoccupy the Arab adversary with himself for a long time, without ramification to Israel's security. By examining these two points, we find that Israel is faced with future rounds. Israel realizes that the Palestinian negotiator wants to restore the Gaza Strip to its sovereignty, and the Palestinian negotiator realizes that a price has to be paid for this recovery at the table. Moreover, if any rupture develops in the Gaza Strip security, it will reflect automatically on the security of the other Israeli areas because of the absence of an accountable authority.

However, there are numerous precedents of perverted withdrawals in which the colonist withdrew intentionally amidst political anarchy or amidst minefields that could explode among nationalists. When the British colonist withdrew in 1967 from Aden and the other protectorates in South Yemen after 130 years of colonization, he left behind civil war among the inhabitants. He favored one side over the other, making certain that this would put the country under a minority rule and would lead to continued violence. In fact, the other nationalist forces that had played a major role in the liberation process lost their positions as a result of the British decision. At the time, Aden, Hadhramaut, and the other parts of South Yemen entered into a maelstrom that continued for years. This also applies to the Gulf islands. Britain promised the Iranians a part of the Arab islands, thus involving Iranians in the issue after its withdrawal.

If the Palestinian leadership fears a sudden security void in a troubled area, such as Gaza Strip, then the Palestinians have an opportunity to settle the issue among themselves. The Palestinians, with their numerous difficult experiences and the numerous similar experiences of others, the most immediate of which is the struggle for power among Afghanistan's mujahedin—the Palestinians are required to establish a political formula in accordance with which the strip is managed. If they want elections, then the Palestinians have to establish controls for them in advance. If they want a direct administration similar to the past Egyptian control, then let the Palestinians make things clear right away. Such small details could spare the people big catastrophes which would make people wish for the return of the colonist's rule, as we see in numerous places around us where the nationalists' rule has failed.

Gaza Exports to Europe Down 97 Percent This Year

93AA0012A London AL-SHARQ AL-AWSAT in Arabic
5 Mar 93 p 14

[Article by Dr. Nabil Kukali: "Despite Abundant Crop, Gaza Citrus Exports Drop by 97.5 Percent This Year"]

[Text] Occupied Jerusalem—Official statistics show that Gaza Strip's citrus exports to Europe (the main consumer market of the occupied territories' production) dropped by nearly 97.5 percent in the current season, compared to the 1992 season. Official Gaza Strip sources have said that the drop in exports has coincided with an increase in citrus production.

Informed sources at the Gaza Strip Agriculture Department have said that the volume exported to East and West Europe from the start of the season until 14 February 1993 amounted to 83 tons to East Europe and 16 tons to West Europe, i.e., a total of 99 tons. By the same date last year, a total of 2,046 tons had been exported to East Europe and 1,836 tons to West Europe, i.e., a grand total of 3,882 tons. Muhammad al-Rayyis, general director of the Gaza Strip Agriculture Department, said that the "Strip's citrus export season has been hit. Moreover, prices have dropped sharply, decreasing from \$120 per ton last year to about \$60 per tons this year, i.e., by 50 percent. This has reduced the farmer's income from citrus to the point that this income does not exceed the cost of the water used for irrigation. As for fertilizer and the work the farmer and his family put in, they are a loss."

Al-Hajj Hashim 'Ata al-Shawwa said: "Despite the improved crop volume this year, expected to amount to 130,000 tons compared with 106,000 tons last year, the question is: What use is it? The acreage cultivated with crops has been increasing and the total production volume has been diminishing because the farmer cannot meet requirements of the citrus tree. The cost per dunum amounts to 150 Jordanian dinars, and the average production per dunum is two tons. At the beginning of the season, the crop was sold at 50 dinars per ton. The price has dropped now to 40 dinars. Despite this, there are no markets in which to sell the citrus crop."

Gaza Strip, occupied by Israel since 1967 and sealed off by the authorities since dawn two days ago, is one of the world's poorest and most densely populated areas. Citrus fruits are among the Strip's most important crop and are considered the backbone of the Strip's economy, producing a 24.6 percent share of the agricultural revenues and 5.65 percent of the Strip's gross revenues. Citrus exports represent 85 percent of the value of farm exports and 35 percent of the value of the Strip's gross exports."

Ya'qub Mahdi, a well-known farmer in the Strip, has said that the true reasons for this season's catastrophe emanated from the constant curfew in November and December 1992, the period for harvesting and exporting the Shammuti variety of oranges. He added that both farmer and exporter were unable to market the crop in that period. Then came the frost and stormy weather that damaged the Shammuti crop. Mahdi added that this will lead to destroying the infrastructure for the main and strategic crop of Gaza Strip. Because of the high shipping fares, the cost of wooden boxes, all kinds of taxes and the value added tax, and the cost of permits to go abroad, the farmer cannot purchase fertilizer for his crop. This

affects the national crop. Collectively, these factors have caused a serious deterioration that threatens this national crop with obliteration.

Al-Shawwa added that he hopes that the foreign parties concerned will take the necessary steps to deal with citrus marketing problems, and he warned of the consequences of the continuation of this situation.

ISRAEL

Regional Nonconventional Warfare Strategy

93AA0003B Tel Aviv HA'ARETZ in Hebrew
4 Mar 93 p B2

[Article by Aluf Ben]

[Text] Iran's military buildup and nuclear ambitions have generated a fundamental change in Israel's defense thinking. For the first time since 1948, strategists in Israel are pointing to a new existential threat. The huge armies of the neighboring Arab states now seem less of a threat than a distant country with its eye set on regional hegemony through atomic power, terrorism, and Islamic fundamentalism.

The old defense conception rested on swiftly shifting the war to enemy territory and winning victory on the ground. This view is no longer relevant in light of the Iranian threat. Israel cannot defeat Iran in a land war nor inflict damage on her with conventional weapons such as tanks and planes. Even if Israeli aircraft were to reach Tehran and drop iron bombs, the damage would be minimal. During eight years of war with Iraq, the Iranians withstood bombardment of their cities without any serious air defense.

Appreciation of the Iranian threat requires a realignment of Israel's military assets. Chief of Staff Ehud Barak spoke last year of Israel's three layers of defense: the IDF's [Israel Defense Forces] conventional might, its nonconventional deterrent ("existing in the Arab mind"), and the special relationship with the United States. To that list must be added a fourth layer, the negotiations under way towards peace and arms inspections in Israel's neighbors. The peace treaty with Egypt strengthened Israel's security far more than an armored division or a squadron of F-16's.

Against a remote enemy, Israel will rely less on the IDF's conventional might and more on the other layers of national defense: the deterrent of nuclear weapons and long-range missiles, which the enemy believes Israel has in her arsenal, and on stepped-up cooperation with the United States and neighboring countries.

The Gulf war in 1991 was the first test of the new defense philosophy. The IDF remained confined to its bases in the face of the Iraqi threat while the political echelon preferred to rely on Israel's deterrent power coupled with political and military coordination with the Americans and, indirectly, the Arab partners in the coalition.

Developments since the war indicate that the new outlook is well fixed in the minds of policymakers. In the conventional arena, the IDF has prepared a multiyear plan that emphasizes the ability to destroy a large number of targets at long ranges with a minimum of losses and that reduces the importance of movement and maneuver by large land forces. Pursuant to this plan, the IDF is buying more planes, battle helicopters, and precision weapons at the expense of tanks, which are designed to carry the war quickly to enemy territory. The IDF believes that continuing the arms race is essential in order to convince the Arabs that the war option has become obsolete. The nature of the future army, however, teaches that, in contrast to the land war philosophy, which saw conquest of ground as an expression of victory, Israel will deploy for a defensive war and destruction of forces instead of capturing territory. There are calming signals in this for Israel's neighbors.

In the nonconventional arena, Israel's leaders have not retracted the old slogan that Israel will not be the first to introduce nuclear weapons into the region. The government these days says that "Israel has long been prepared for the danger of nuclear arms in the Middle East," to quote Yitzhaq Rabin, and is ready to enter into discussions with its neighbors about banning weapons of mass destruction from the region and mutual inspections.

Military ties to the United States, which were covered up in the past, attained formal expression in a law, passed by the Knesset one month ago, which grants special privileges to American service personnel in Israel. The 1983 strategic understanding between the two states, reached by a joint military coordinating committee, worked during the Gulf war and the recent confrontations between the Americans and Iraq, while the previous administration, before leaving office, promised deeper cooperation.

Israel will be unable to deal with threats from afar without the American shield, but there is a price for that. Prior coordination is a two-way street. The United States gave Israel notice before bombing Iraq. As in the Gulf war, Israel will be compelled in the future to accept American restraints on her freedom of action in any military operation that goes beyond routine security in the territories and Lebanon.

But more than anything, the threat from Iran is opening unprecedented avenues of cooperation between Israel and her Arab neighbors on matters of defense. Israel and Egypt identify Iran in public declarations as the primary threat to their security while Arab countries attempt to thwart fundamentalism—two years after they stood with Israel against Iraq. The common threat has led to acceleration of the peace process and talks on arms inspection. Turkey, which is struggling against Islamic subversion and jockeying with Iran for influence in the Commonwealth of States, has also tightened its relations with Israel.

American experts with good connections in Iran say that a similar picture of developments in the Middle East is visible in Tehran. The reaction to the Iranian threat of Gen. Herzl Budinger, commander of the Israeli Air Force, that Israeli aircraft can operate in remote areas, has aroused anger there. Iran, however, is troubled more by Turkey's arms buildup, the American presence in the Gulf states and Iraq's resurgence.

The Iranians see Israel mainly as a political threat. They fear what appears to be a joint Israeli-Egyptian attempt to drag the United States into another "Desert Storm" that would wreak devastation on them, and formation of a secular Arab bloc around Israel to contest Iran and fundamentalism. These fears explain the attempts fomented from Tehran to undermine the peace process.

Call For Increased Municipal Police Presence

93AA0005A Tel Aviv HA'ARETZ in Hebrew 5 Mar 93
p B1

[Article by Ran Kislev: "One Station Before the Wild West"]

[Text] The things recur with a regularity that engenders despair. After every murder of Jews in one of the large cities by a Palestinian terrorist—in Tel Aviv and in the Dan Region, mainly—comes a period of quarantine over the Gaza Strip. After every murder of an Israeli in the territories, there comes a curfew over the area in which the murder occurred. After a while, the quarantine and the curfew are canceled and things return to normal, until the next murder and the curfew and the quarantine that follow it. This is a routine that no one challenges, but it also appears that no one believes it is effective.

This week, too, the routine of terror and response operated in its ordinary way. On Monday morning, a young Arab man from Gaza, a laborer who had not found occasional work that day, ran amok in south Tel Aviv and stabbed 11 passersby, two of them mortally. The murderer was apprehended, a quarantine was imposed on Gaza. On Tuesday, a resident of Rishon Lezion, an employee of a gas company, who by mistake drove his vehicle into a neighborhood in the heart of Rafiah, was stoned and finally shot to death. Since then, there has been a curfew in Rafiah and about 120 persons have been arrested, but it seems that they still do not include the actual murderers.

Additional responses, whose efficacy is no greater than that of the environmental punishments, and perhaps even less, follow routinely. Cries of "Death to the Arabs!"—which do not overly inflame the public; demands for the imposition of capital punishment on the terrorists—which no one takes seriously; accusations by the Likud of impotence on the part of the government—which sound very much like the accusations that "Labor" voiced against the previous government.

This week something was added to the routine. Whether by chance or not, recommendations regarding preparations in the cities were published immediately after the knifing murders in Tel Aviv by the official responsible for security in the local government center. The recommendations stem, indeed, from the lessons of the Gulf war, but their current portion relates to the terrorist attacks. The important recommendation in that sphere: the establishment of local police forces, firearms training, and arming of citizens.

And to complement these recommendations, the Council of the Settlements of Judaea, Samaria, and Gaza disseminated instructions to the residents of the territories to open fire in response to every incident of stone-throwing. Everyone there is already armed. There they only have to begin to use the weapons appropriately.

It is not clear exactly what Lt. Col. (Res.) Moti Bar-Lev, who is in charge of security in the local government center, intends by his proposal to establish urban police forces "reporting to mayors," and what would be the relationship between the two police forces—that of the city and that of the state. Would the urban police force also deal with thieves, bankrobbers, and violators of traffic laws, or only with terrorists? Would such an urban policeman be able to arrest any citizen, or only an Arab? And what about the distinction between the Israeli Arab and the Arab from Gaza, or from Nablus?

It would appear that the intention here is for a kind of civil guard on a professional basis, second-class policemen as regards their professional training. Together with the second proposal—arming and firearms training of citizens—the probable outcome is: Many more persons with pistols will be on the streets.

It is interesting to examine what would happen if these proposals were implemented right now, and how many of those who drew pistols—in the uniforms of the urban police or as plain citizens—would have been at the scene of the attack near Ha'alayah and Matalon Streets in Tel Aviv at 0730 on Tuesday of this week. It may be assumed that the knifer would not have been able to follow the entire route and stab all 11 victims, but it may also be assumed that in the course of the nervous firing that would have ensued in this crowded area, several innocent passersby would have been wounded—perhaps even a greater number than the victims of the knifer from Gaza.

The probable results can be inferred partially from what happens in the cities of the West Bank when a settler whose car is stoned opens fire. Generally, it is not the stonethrowers who are struck by his gunfire, but rather women, elderly persons, or children who happen to be there.

As long as the problems of the Israeli-Palestinian conflict have not been resolved, there is no escape from life in the shadow of terror, and even after the hoped-for peace comes, there is no guarantee that terror will disappear completely. This statement is also kind of routine, like

the demand for capital punishment for terrorists and like an appeal for public vigilance after every terrorist attack. And in the hope for a rosier future, there is no comfort for today's victims.

The proposal to establish an urban police force at least contains a hint of what must be done soon: It is not urban police that are necessary on the streets of our cities, but regular police, and in much larger numbers. Given the present complement, it is doubtful whether the police are capable of meeting this demand. In a period in which precisely because of the diplomatic process a rising wave of terror is to be expected, the subject of internal security becomes the important component of our national security. A great deal of money is flowing into our security coffers; it is desirable that a substantial amount of it will be directed to the Israeli Police, to reinforce its ranks.

This is an urgent task that requires immediate implementation if we do not want an increase in the number of pistols in untrained hands and the conversion of the streets of our cities into a Wild West. It is worth stopping one station before we arrive there.

JORDAN

Visa Procedures at U.S. Embassy Described

93AA0013A Amman AL-RIBAT in Arabic 3 Mar 93
p 12

[Unsigned commentary: "Open Invitation To Work With the CIA to Fight World Terrorism!"]

[Text] It was a visit I was not looking forward to. I set off to the fortified stronghold called the American Embassy, enthroned on a vast expanse in the wealthy 'Abdun neighborhood, overlooking many districts of the city.

The sight of it from afar is menacing—the huge number of guards protecting it on the outside and positioned on the inside. How could it be otherwise, when this is the embassy of the country of world terrorism?

I stood a little while, gazing at it, recalling the long, long history of this black leech that has engorged itself on people's blood. It has displayed the courage of a lion against the squeamishness of other nations, and now alone occupies the throne of the new world order, uttering Pharaoh's cry to Moses: "I am your most high Lord!" I was awoken from the mist of memories by a rough voice: "What do you want?" I spoke quickly, so as not to be accused and convicted of the crime of staking out this fortified stronghold to blow it up, which countries cannot blow up, as a lawyer said in a famous case. "I have an invitation for a visa to visit America." They let me enter through one of the doors, and I handed in my filled-out application. I then went into the waiting room, where you hear nothing but whispers, despite the long line of people waiting to get visas. There are cameras fixed in the corners of the room, sensitive

listening devices, signs giving orders—no smoking and no eating or drinking, and the constant, untiring movement of the employees, the silent obedience of the petitioners to do whatever they are told to do. Then they—one of the employees, whose eyes never actually settle on you—give you a five-question form for Jordanian nationals, with 10 questions for Iraqi nationals and Jordanians who have resided in Iraq for more than six months. One of these questions, the subject of the headline of this story, is:

"The U.S. Government wishes to obtain information that may be of help in the fight against terrorism, in exchange for material compensation. Do you wish to meet with the consul or an embassy official? Yes or no. Note: This information will remain highly confidential."

Your attention is caught by a sign hanging on the wall, which says:

"If you know the names of people associated with terrorists, you are asked to meet with the ambassador."

Then you wait your turn to meet one of the four employees separated from you by a thick glass window, through which they deal with you by way of an opening for that purpose.

I let my gaze wander over the papers of the people in front of me, and it settled on the fifth question. I saw responses like "No, I do not" in large writing—a proud and scornful refusal. When the interview with one of the four employees is over, they inform you with the utmost politeness that they will not grant the visa for reasons they see or invent. When it is my turn, I move ahead confidently, since they already have the visa ready, as well as completed return guarantees. As the employee looks at the form that includes the fifth question, she sees "No I do not." She puts the papers aside and begins ask me questions, and I know that she has decided not to grant me the visa. This is the secret that is kept from me as they denied visas to those in front of me in line, even though some of them had completed paperwork. She concluded her questions by saying, in a voice dripping with kindness: "We are sorry, but your visa will not be granted."

I answered her: "Thank you." She relieved me of the sight of the bloodsuckers of our nation and the thieves of its resources, and I left the embassy without mourning the decision.

Those who wish to visit the country of world terrorism, win its approval, and live off of it must consent to work with its intelligence agency. Those who want to be free will not be allowed to enter there and may be accused of terrorism.

This is what was explained on the front page of AL-RIBAT in its 6 Sha'aban 1411 edition, which corresponds to 21 February 1991, just one week before the first conflict that took place. The article appeared under the headline: "And when they take counsel from

their devils, they say: 'We are with you.'" AL-RIBAT mentioned that "politicians and journalists are still meeting secretly with the American ambassador in Amman. The most recent of these meetings took place at a newspaper office and lasted for some time."

KUWAIT

Finance Ministers Defend Spain Dealings

93AE0391A London AL-HAYAH in Arabic 15 Mar 93
p 9

[Article by Hamad al-Jasir: "Three Kuwaiti Finance Ministers Called for Questioning Concerning Investments"]

[Text] A source on the Finance Committee of the Kuwaiti National Assembly said that the committee will hold a meeting on Wednesday, 17 March, with three former Kuwaiti Government finance ministers, in addition to current Finance Minister Nasir al-Rudan, to inquire about Kuwaiti investments in Spain.

This meeting, considered to be a first in the history of Kuwaiti democracy, will be attended by the three previous finance ministers, 'Abd-al-Latif al-Hamad, Jasim al-Kharafi, and Shaykh 'Ali al-Khalifah al-Sabah. These ministers, during their tenure of office, saw the start of investments in Spain and the development of Kuwaiti foreign investments throughout the world.

The chairman of the Finance Committee, Dr. Isma'il al-Shatti, told AL-HAYAH that committee members "want the former ministers to clarify certain details about the investment decisions abroad, in general, and in Spain, in particular." He stressed that "we are not conducting an investigation with the ministers, nor are we accusing anyone of anything. What we want is more data and explanation."

Al-Shatti added: "The recent visit of a parliamentary team to Britain and Spain: garnered new information about the investments. It also raised more questions in their minds. It would be very useful now to sit down with the former ministers, explore the data, and obtain answers to those questions."

Wednesday's meeting is considered the "culmination of the Finance Committee's efforts and initiatives toward preparing a report pertaining to foreign investments, with which it was tasked by the assembly." Al-Shatti added: "We anticipate that the report will be ready before the 'Id al-Fitr recess, and, perhaps, at that time, the report will be in Parliament's hands after a final draft by the committee."

On 13 March, the Finance Committee held a meeting with two members of the Executive Committee of the General Investment Board. They are Badr (al-Makhayzim) and 'Abd-al-Rasul Hasan. The purpose was to elicit their points of view concerning this issue, since

the executive committee was the authority that supervised the Kuwaiti Investment Office in London since 1988.

Meanwhile, during yesterday's session, the Finance Committee approved the final accounts of those governmental authorities that have independent and supplementary budgets, for fiscal year 1991-92. The committee also suspended the National Council's budget. This was a temporary advisory parliament that was established when the National Assembly was suspended. The opposition deputies considered that body contrary to the Constitution's principles.

The agencies whose final accounts were approved (Amir's decrees have been issued concerning them) are: National Assembly, the Kuwaiti News Agency, the Kuwaiti Fund for Arab Economic Development, Savings and Credit Bank, Public Organization for Social Security, the Zakat Organization, the Municipality of Kuwait, the Public Board for the South and Arab Gulf, Kuwait University, the Public Board for Civil Information, the Office of Future Shares Settlement, Public Fire Department, General Investment Board, and the General Board for Palace Affairs.

Approval of these agencies' accounts by the committee was preparatory to submitting them to the National Assembly, which is expected to ratify the committee's authorization. The decision with regard to these accounts will be the first parliamentary approval of government accounts since the Constitution was suspended and the National Assembly dissolved in 1976.

In a statement published by REUTERS on 14 March, one of the Kuwaiti opposition politicians praised the conducting of official investigations into cases suspected of misuse of public funds, which he called a development without precedent. 'Abdallah al-Nibari was quoted as saying: "This is something new for Kuwait. There have been incidents of corruption in the past, but they were never brought to justice." He added: "It is no longer acceptable to keep matters secret, as the government used to do before."

He said: "We have pledges from Amir al-Shaykh Jabir al-Ahmad al-Sabah and from Crown Prince al-Shaykh Sa'd al-'Abdallah al-Sabah that the investigations will be allowed to proceed." Al-Nibari went on to say: "It is very important that the investigations go forward.... The parliamentary role here represents a guarantee that the process will continue, by providing it with political protection."

AL-SHAL Report Backs Oil Privatization

93AE0381A London AL-HAYAH in Arabic 6 Mar 93
p 13

[Report from Kuwait: "AL-SHAL's Economic Report Proposes Privatizing Oil Sector in Kuwait"]

[Text] AL-SHAL's weekly economic report called upon the Kuwaiti government to gradually relinquish economic activity and to privatize over time. report specifically identified the "oil sector in order to draw private sector savings into profitable investments."

The following is the text of the report:

Oil

On Sunday, 28 Feb 1993, the day before it was to abide by its OPEC-designated quota, Kuwait's oil production amounted to about 1.969 million bpd [barrels per day]—a record approaching the 2 million bpd target for the second half of the current year.

Kuwait's share amounted to about 156,000 barrels from the offshore fields in the partitioned sector and about 140,000 barrels from al-Wafrah land field. It's total production, therefore, amounted that day to about 2,165 million barrels. That, we believe, was Kuwait's highest level of oil production since liberation. The number of collection centers in operation remains at 17; the volume of crude sent to be refined remains at 425,000 bpd, and the number of producing wells remains at 600. Kuwait is supposed to maintain average oil production around the 1.6 million bpd level from that day [1 March] until the new quota system goes into effect in the third quarter of the year.

We may not be able, as of next week, to treat oil as a major component of the report because we believe that Kuwait will honor its quota as long as other OPEC members remain committed to theirs. However, we will continue to monitor any new developments in the sector, such as the state [of the fields], the oil industry, privatization efforts, crude prices, etc.

State Institutions and the Reconstruction Effort

There is currently prolonged debate in Kuwait over the need to energize economic activity. This is fine, but there remains the age-old problem of disparate, and sometimes discrepant, standards. It is the established practice worldwide that [economic] activity indicators are rising gross domestic production rates, rising employment rates, and diminishing pressure on general budget deficits, foreign balances, and price indexes. In Kuwait, however, this is evaluated from the perspective of import growth rates and rising stock and real estate prices, regardless of the level of those prices or the return on those investments. We believe that pressure will continue in this direction of the wrong indicators, even though some officials are aware of the problem. This will lead nowhere, however, for reasons that have to do with the relocation of the demand curve for goods and services. The 35 percent decline in population and the fundamental change in its composition, the country's financial weakness, the consequences of its substantial financial obligations, the psychological and political conditions, etc., will remain for a period of time. The only thing that can be done is to reduce that period of time somewhat and facilitate the task of adjusting to the new

situation. This would require tremendous effort and sacrifice, as well as a fundamental change in prevailing concepts and practices.

The main short-term objective should be to deal with the general budget deficit. Efforts to reform and to energize the economy will have no meaning unless the country's fiscal fitness is maintained. Balancing the general budget, either directly by equalizing revenues and public expenditures or indirectly by dealing deftly with the issues of foreign investments, nonperforming debt, population growth, and oil policies. All of these are urgent mandates that, for the mid- and long-term, require shrinking the government's economic role and gradually reassigning it, including the oil sector. This is necessary to lure private sector savings into profitable investments in which we have a relative advantage. The result, of course, will be the creation of new employment opportunities outside government service, as well as the creation of an export industry that would help relieve the pressure on foreign balances.

Public Concentrates on Investments, Prisoners

93AE0391B London AL-HAYAH in Arabic 16 Mar 93
p 7

[Article: "Two Issues Occupy Kuwaiti Public Opinion; 'Arafat's Mediation for Prisoner Release, Proposal to Create Organization to Instruct Good"]

[Text] Talk in Kuwait has been diverted from the issue of Kuwaiti investments in Spain and London and the embezzlements at the Kuwaiti Tanker Company. These subjects have been replaced by the matter of an organization to instruct good and prevent evil, and the government's denial with regard to sending an official envoy to negotiate with Palestinian President Yasir 'Arafat, in an attempt to free the Kuwaiti prisoners and hostages in Baghdad.

On the last nights of Ramadan, Kuwait's salons, which set the standard for talk on Kuwait's streets, dealt with the story of an official Kuwaiti envoy being sent to Tunis to meet with 'Arafat, in order to find a way out of the issue of Kuwaiti prisoners and hostages in Iraqi prisons. This was before the Kuwaiti Government denied the report, which was raised by Kuwaiti writer Fu'ad al-Hashim in his daily column in the Kuwaiti newspaper AL-WATAN.

A Kuwaiti political source revealed the full facts of this story, when he told AL-HAYAH that the former secretary general of the Kuwaiti Cabinet, 'Abd-al-'Aziz al-'Utaybi, who occupied that post for more than 30 years, "went to Tunis twice. The first time, he met with 'Arafat in mid-September 1992 and asked him to mediate with the Baghdad regime to gain the release of Kuwaiti prisoners in its jails. 'Arafat welcomed the idea."

The source indicated that al-'Utaybi explained to 'Arafat that he was meeting with him unofficially and that he had no official status. "In fact, Abu-'Ammar went to

Baghdad and met with Saddam Husayn. He asked the Iraqi leader to release the Kuwaiti prisoners, but Saddam asked 'Arafat: 'Why are you intervening personally in this matter?' 'Arafat responded: 'We also have Palestinians in Kuwait that we want released.' Saddam asked him to meet with Deputy Prime Minister Tariq 'Aziz, who asked 'Arafat for a list of prisoner names, saying that he would study the matter."

The source confirms that al-'Utaybi met with 'Arafat again in February 1993 and gave him a list of names of 650 Kuwaitis in Iraqi prisons. 'Arafat promised to continue his efforts. However, the question that arises is: How was the truth of these contacts revealed?

The source says that a Kuwaiti delegation representing Kuwaiti popular organizations, led by Dr. Ghalim al-Najar, and working to gain the prisoners' release, met with 'Arafat at the end of February 1993, and that 'Arafat told them of al-'Utaybi's efforts.

As a result of that, al-'Utaybi was summoned by the Kuwaiti crown prince and prime minister, Shaykh Sa'd al-'Abdallah al-Salim al-Sabah, who severely rebuked him for meeting with 'Arafat. The Kuwaiti Government also issued a statement through the minister of state for cabinet affairs, 'Abd-al-'Aziz al-Dakhil, categorically denying that the government was a party in any negotiations with 'Arafat.

The second issue to dominate the conversation in salons was the draft bill introduced by five deputies in the Kuwaiti National Assembly, who represent the Islamic orientation. This bill would create an agency "to revive the Islamic obligatory duty to instruct good and prevent evil." The deputies are Ahmad Baqir, Khalid al-'Uduwah, Mufarrij Nahar al-Mutayri, Shari' al-'Ajmi, and 'Ayid 'Allush [al-Mutayri].

This subject has caused widespread talk, both in the salons and in the newspapers. Daily press writers have devoted considerable interest to this matter. The proposed bill stipulates that this agency should be an independent legal person, attached to the cabinet. The minister of state for cabinet affairs would supervise it. Its purpose is to "revive the obligation of instructing good and preventing evil, to disseminate moral excellence among the members of the Kuwaiti community wisely and through good lessons, and to fight against foreign behaviorisms against that community's indigenous customs and traditions, behaviors that are contrary to the true Islamic religion and its way of life."

The bill also stipulates that the agency will have a director general, with the rank of ministry undersecretary, to be appointed by decree upon nomination by the Administrative Council.

On the other hand, 18 Kuwaiti public welfare associations issued a statement declaring their opposition to the bill creating an agency to instruct good and prevent evil.

LEBANON

Habashis Profiled, Defended, Criticized

Background, Self-Perceptions

93AF0435A London AL-MAJALLAH in Arabic
10 Feb 93 pp 20-24

[Article by Muna Fakhuri, with assistance from Ayman al-Sayyad in Cairo and Muwaffaq Madani Daftar in Beirut: "Habashis: Emerged in Lebanon and Spread to Europe and America"]

[Text] Forty years ago, nobody knew that 'Abdallah al-Habashi, a man who arrived from the small African town of Harer, would arouse all of this clamor in a Lebanon immersed in a civil war and all this controversy among Muslim expatriates in Europe and the new world.

His opponents have kicked enough dust around the man, nicknamed al-Habashi, and his supporters have burnt enough frankincense to engulf him in a halo of ambiguity that has gone as far as arousing doubts as to whether the man is still alive or has passed away or whether he is an Islamic missionary or a leader of sedition.

This man's teachings and vision of life and religion entered Lebanon by way of young individuals whose dreams and goals had been dispersed by the war and who had been lost in the crowd. These elements were attracted by the shaykh's call, which is said to permit what others prohibit. This call has proliferated among young women. This is how he started. But now that the Habashis have a cell in every quarter of Beirut, contradiction continues to be the main characteristic of this faction. Whereas the Islamic scene fears the Habashis' criticism and power, their spokesmen appear in the robes of advocates of tolerance and democracy.

Whatever the case, the Habashis, who are accused of being Qadiyanis [offshoot of the Ahmadiyah], of swerving from the teachings of Islam, of receiving suspect Zionist aid, and of being the "Sunna's Shiites," have an immense organization in Lebanon now, namely the Islamic Society of Philanthropic Projects; a deputy in the parliament, namely Dr. 'Adnan al-Tarabulsi; a monthly—MANAR AL-HUDA; a broadcasting station; a publishing house; private schools; and offices and branches in all parts of Lebanon and in a number of European countries, such as Denmark, Germany, and Switzerland.

At a recent Islamic conference in Cairo that included a large number of preachers, a pamphlet titled "Releasing Efforts to Expose al-Habashi's Violation of the Koran and the Sunna" was distributed, and Dr. Muhammad 'Ali al-Juzu, the mufti of Mount Lebanon, led a campaign to arouse interest in this faction and in its beliefs.

The war of pamphlets and counter-pamphlets has become a feature of the intensifying daily confrontation

between the Habashis and their critics. The latest pamphlet, "Releasing Efforts," was confiscated by the security agencies in Beirut in accordance with a complaint submitted by the Islamic Society of Philanthropic Projects.

This society, founded in 1983, is the legal framework for the Habashis, who are always eager to point out that their nickname does not derive from Ethiopia [al-Habashah in Arabic], that their Shaykh 'Abdallah, nicknamed al-Habashi, arrived in Syria from Harer, a Somali town, and that some people called him al-Harari and some al-Habashi. So Shaykh 'Abdallah came to be known by both nicknames. The most prominent worker in the society, after its old shaykh, is Shaykh Nizar Halabi, the society president, who graduated from al-Azhar University in 1975. The most prominent feature noticed in the society's literature and publications is its hostility toward a number of well-known imams and Islamic movements, such as Ibn-Taymiyah, Muhammad 'Abd-al-Wahhab, Sayyid Qutb, Wahhabism, the Muslim Brotherhood, and the Islamic Group.

Some of the legal opinions and accusations made against the Habashis are that those among them who were killed in suicidal operations against Israel died in sin, that they permit women to appear in public unveiled and perfumed, that they say the alms tax must not be paid in paper money, that they permit cohabitation without marriage [al-mufakhadhah], and that they accuse Islam's most prominent ulema of being infidels.

AL-MAJALLAH asked a number of Muslim ulema for their opinion on the Habashis. It also interviewed three al-Habashi leaders, namely: Shaykh Nizar al-Halabi, the president of their society; Khalid al-Za'ni, the society director; and Shaykh Usamah al-Sayyid, director of the society branch in al-Biq'a'. Here are details of the interview:

[AL-MAJALLAH] Do you consider yourselves a religious group, a political group, or a religious group with political objectives?

[Answer] We believe that virtuous politics are a part of religion as it was practiced by al-Rashidun caliphs and our righteous ancestors. Therefore, we see politics as a service to society and as involvement in the nation's conditions, affairs, and concerns. This is why we are honored to have political tendencies based on this starting point.

But if politics mean the unjust usurpation of power, the arrogant oppression of people, cheating, graft, violent coups, and corrupt conflicts, then we are innocent of politics.

[AL-MAJALLAH] Some view you just as a sufi group, the same as dozens of similar other such groups.

[Answer] We are an Islamic call based on the the Sunni creed—on the doctrine of Imam al-Shafi'i, may God be pleased with him, in particular. From this perspective,

we are an ancestral [salafiyah] call because Imam al-Shafi'i is most prominent among the righteous ancestors. But we are against the so-called rigid ancestralism that lives with a fanaticism that harms Islam and the Muslims. We respect true sufism that is far from heresies and charlatanism and from all distortions and delusions. We respect the sufism that advocates refinement of the soul, balanced behavior, honesty, and the fulfillment of pledges. Most sufi movements in this age are a cause for ridicule and derision and are incompatible with the spirit of the age. They advocate dependence, stultification, reliance on one's caprices, adulation and sanctification of shaykhs, and not of God, and dealing in magic and sorcery.

[AL-MAJALLAH] You are accused of hiding your Shiism under Sunni robes and of having suspicious relations with Iran?

[Answer] We say very clearly that we are the people of the Tradition and the Community and our doctrine is the doctrine of Imam al-Shafi'i. Our books and lessons, and videos of our celebrations, hymns, and songs of praise to the prophet attest to this fact. We are nobody's agents, and we have not collected a single penny from any government. Those who claim otherwise must prove it.

[AL-MAJALLAH] Why do you incite sedition, work to split the community's ranks, and provoke controversy and conflict by straying from Islamic consensus? You even declare Muslim shaykhs and imams to be infidels?

[Answer] We are not the authors of a new doctrine, and our shaykh brought absolutely nothing new. Our shaykh's doctrine is the doctrine of Imam al-Shafi'i, may God have mercy upon him. His legal opinions do not deviate from the revered doctrines of the people of the Tradition and the Community. Our shaykh never dissented from the Muslim consensus, not on a single issue. As to what is rumored about legal opinions that have cheap objectives behind them, it is pure fabrication and is based on no proof whatsoever.

[AL-MAJALLAH] But you are opposed to everybody, beginning with Ibn-Taymiyah and ending with Hasan al-Turabi and 'Umar 'Abd-al-Rahman.

[Answer] Yes, we are opposed to Ibn-Taymiyah. Shaykh 'Abdallah is not the first to refute Ibn-Taymiyah. More than 60 ulema have refuted him throughout the ages, beginning with al-Hafiz al-Dhahabi, his disciple, and Taqi-al-Din al-Sabaki, his contemporary, and ending with countless ulema, including Shaykh Muhammad Bakhit al-Muti'i, Egypt's former mufti, who refuted Ibn-Taymiyah in his book titled: *Purging the Heart of Unclean Beliefs*. At the same time, we respect all Islamic missionaries who are totally devoted to shouldering the burdens of the Islamic nation. As for those who hide behind the robe of Islam to attain their own purposes, such as the Muslim Brotherhood leaders who have

drowned the nation in oceans of blood with their polluted and imported ideas, including Sayyid Qutb, Abu-al-A'la al-Mawdudi, Hasan al-Turabi, 'Umar 'Abd-al-Rahman, and Faysal Mawlawi, we reject them altogether in both form and content.

Declaring Muslim Ulema To Be Infidels

[AL-MAJALLAH] Why do you charge al-Azhar ulema with infidelity?

[Answer] How can we charge al-Azhar ulema with infidelity when the president of our society is himself a graduate of al-Azhar? Moreover, we view charging people with infidelity as a serious matter. It is not permissible to charge an ordinary Muslim, not to mention a Muslim ulema, with infidelity.

[AL-MAJALLAH] You are also accused of slandering the companions of God's apostle, may God's peace and prayers be upon him.

[Answer] This is a lie that contradicts the truth. All we say is that 'Ali, may God be pleased with him, was right and that Mu'awiyah fought him unjustly.

[AL-MAJALLAH] You also obstruct the alms tax by saying that it must not be paid in paper money. Moreover, you turn mosques into sites of armed conflict.

[Answer] This is the doctrine of Imam al-Shafi'i, may God be pleased with him. Our shaykh has brought nothing new. He has also underlined doctrines other than that of al-Shafi'i that require that the alms tax be paid in paper money. Our shaykh's followers pay the alms tax in their money, which is paper money, in accordance with the doctrine of Abu-Hanifah, may God be pleased with him. As to what is rumored about our turning mosques into sites of armed conflict and about our attacking people, it is untrue. Rather, the proven fact at the Lebanese security agencies is that our brothers have been often attacked in Sidon, Beirut, and Tripoli.

[AL-MAJALLAH] Is it true that your shaykh has Jewish origins?

[Answer] We are not the first to be accused of this. Regrettably, it has become the fashion to accuse one's adversaries of such things. History abounds with examples. This is because most adversaries have abandoned honorable controversy.

[AL-MAJALLAH] But you have prohibited fighting the Zionists.

[Answer] This is a false allegation that has no evidence or proof to back it. Can any Muslim, regardless of his influence, suspend the frank provisions of the Koran, which charge Zionists with infidelity and which call for fighting them?

Egypt's Habashis

[AL-MAJALLAH] How many followers do you have in Egypt, and what is the extent of your relations with the Islamic groups in Egypt?

[Answer] We have no presence in Egypt, and we will not establish a presence there unless we have a legal framework. Moreover, we have no relations with any of Egypt's religious groups. However, we see al-Azhar as an important authority, and we seek its legal opinion on some difficult issues. Al-Azhar's legal opinion was our best support against the Muslim Brothers when they changed the direction of the Muslim's prayers in Canada and North America. We used the help of al-Azhar's legal opinion against them.

[AL-MAJALLAH] What is your true position toward the Muslim Brotherhood, and why this hostility?

[Answer] Our opinion on this issue is made clear in our articles, sermons, writings, and our words in the Lebanese and other papers and magazines. Shaykh 'Abdallah al-Habashi has written a book, titled *The Right Way to Refute Sayyid Qutb and Faysal Mawlawi*, in which he refutes the Muslim Brothers' allegations and their charge of infidelity against the Muslim masses. We have compiled an important file on their scandals, with figures and pictures. We have presented a copy of this file to the ministers, deputies, government figures, and intellectuals to inform them about the brotherhood party, which has begun to strike roots in Lebanon.

[AL-MAJALLAH] And what about the radical groups that have proliferated the Arab world?

[Answer] We in the Islamic Society of Philanthropic Projects believe in belonging to Islam alone because Islam is big enough to encompass all Muslims. As for the communities and groups that isolate themselves, they are too narrow to encompass themselves. So how can they encompass all Muslims? Radicalism is a diseased condition that knows nothing other than blood, violence, and charging Muslim communities with infidelity, as in the case of the brotherhood and others. Even if Islam's enemies treat us in a radical and barbaric way, a Muslim can only be fair and just.

[AL-MAJALLAH] It is said that your society and its members own luxurious offices, apartments, and cars. Where do you get the money?

[Answer] The society does not own apartments. It owns institutions, such as the Islamic Cultural Schools, which, as everybody is aware, have no connection with any government or any embassy. They are self-financed.

Donations made by women who belong to the society have amounted to 28 kg of gold.

[AL-MAJALLAH] It is attributed to you that if a woman sleeps next to a wall or fence, she is a harlot; if she swims in the sea, she is a harlot; if she wears her husband's shoes at home, she is an accursed woman who emulates

men. They also say that you prohibit eating eggs because a rooster does not marry a hen and because eggs are begotten by adultery.

[Answer] When the adversaries could not confront us with argument and proof, they resorted to silly rumors that show how shallow is their thinking, and they proceeded to accuse us of these things falsely.

[AL-MAJALLAH] It has been said that you permit cohabitation and that you do not consider it adultery?

[Answer] This is rejected. Others also attribute to us that we permit cohabitation with foreign women without marriage. This is rejected because it is in violation of the Koran, the Sunna, and the consensus of Muslims. No rational man says such a thing.

[AL-MAJALLAH] Others say that you take a special stance toward women?

[Answer] We consider women one of society's two wings. It is time for women to come out of their genie's bottle to face the age by themselves. Men do not have to be their trustees all the time. In our society, women are mothers, housewives, university professors, engineers, physicians, and employees. We are censured for saying that it is not a defect to hear the women's voice. Yes, this is our conviction. They also criticize us for allowing men and women to mingle. We are for organized mingling, far from corruption. Shaykh Nizar al-Halabi, the society president, commented on this issue previously when he was asked about separation and the unveiling of women's faces. He said: "We receive unashful women in our centers. They say al-Habashi girls wear 'jeans.' We see no fault in this because we combine fashion with modesty. Our girls do wear perfume. No jurisprudent has said it is impermissible for women to wear perfume."

Data on 'Abdallah al-Habashi

93AF0435B London AL-MAJALLAH in Arabic
10 Feb 93 p 22

[Article: "Who Is 'Abdallah al-Habashi"]

[Text] Al-Habashi's followers say that Ethiopian Emperor Haile Selassie expelled Shaykh 'Abdallah Bin-Muhammad al-Shabib al-Harari from Harer in the wake of a deep conflict and attempts to arrest him. So he left his country and fled to Saudi Arabia. He then moved from there to Syria in the early 1950's.

It is said that Shaykh 'Abdallah Bin-Muhammad al-Shabib al-Harari resided in Syria, where he made the acquaintance of its ulema and jurisprudents and attracted their attention with his religious knowledge. So Syria's ulema honored him and sought his legal opinions on problematic issues connected with jurisprudence, the hadith, and interpretation.

At the time, Shaykh 'Abdallah al-Harari, known as al-Habashi, found his way to Lebanon. His followers in Beirut say that the reason Shaykh 'Abdallah selected

Lebanon for his residence is not because he wanted permanent residence in the country but because in Lebanon, there was a greater degree of ignorance of the Islamic sciences than in other Arab countries.

The followers add that the shaykh has numerous disciples in Syria, Turkey, in some parts of Europe, the United States, Australia, Russia, and Taiwan. The majority are students or merchants who have opened centers for the Islamic Society of Philanthropic Projects, which is the legal framework for Shaykh 'Abdallah's disciples.

But Shaykh 'Abd-al-Rahman Dimashqiyah, a Lebanese writer and missionary who has observed 'Abdallah al-Habashi's history, sees that al-Habashi's history differs and contrasts with the vision of al-Habashi's disciples. Dimashqiyah sees that al-Habashi participated in the (Kulunb) sedition in Harer in the 1940s on the instruction of Addis Ababa and that he cooperated with Governor (Andraji), Haile Selassie's son-in-law, against Islamic societies and caused closing of the Koran memorization schools. He fought whoever belonged to the Wahhabi creed so vehemently that people came to nickname him "shaykh of the sedition." Al-Harari handed Muslim missionaries over to Haile Selassie who detained and humiliated them. He then came to Lebanon to revive sedition.

Shaykh Dimashqiyah says that al-Habashi is used as a cover and a curtain for the formation of new groups that divide the Muslims, adding that most of al-Habashi's goals have been accomplished, and that many people have graduated in his creed. Dimashqiyah also says that al-Habashi tried to settle in Lebanon in the days of former Prime Minister Rashid Karami but that former Mufti Shaykh Hasan Khalid, may he rest in peace, asked Karami not to permit al-Habashi to settle in the country. However, al-Habashi returned to Lebanon during the war years and his mission was to soil the reputation of the Islamic revival leaders.

Dr. Fathi Yakan, president of the Islamic University, shares Dimashqiyah's opinion and believes that the Habashis' position raises more than one question. Yakan adds that the official Sunna authority in Lebanon (the Fatwa House) called for uniting the Islamic action arena and that the only party absent from the unification meeting was the Habashis. He says that this faction works actively among the youth to divide the ranks.

Sa'd-al-Din Khalid, the son of former Mufti Shaykh Hasan Khalid, who has witnessed the emergence of the Habashis and their infiltration of the Lebanese society, believes that the ground was ready for people like the Habashis, that their moves are not far from the Zionist scheme, and that consolidated efforts are needed to face the problem because they have succeeded in spreading their seeds to numerous Islamic countries. Khalid adds that Lebanese youth need two main things: Physical nourishment and moral nourishment. Khalid considers

the Habashis to be alien to Islam because Islam unites and does not divide; it refines and does not make infidels.

When asked about the Habashis, Shaykh 'Abd-al-'Aziz Bin-Baz said: "We know this faction. It is a misguided faction. 'Abdallah al-Habashi, its leader, is well known for his deviation and his straying from the right path. It is one's duty to boycott them and to refute their creed."

Criticism by Islamic Scholars

93AF0435C London AL-MAJALLAH in Arabic
10 Feb 93 p 24

[Article: "Shaykh Ahmad Shalabi: Habashis Are Misguided and Corrupt Faction"]

[Text] Even though al-Azhar official circles have no opinion on the Habashis (Shaykh Sayyid Mas'ud, al-Azhar's vice-rector, and Shaykh 'Atiyah Saqr, the Fatwa Commission chairman, have said that they have no information on the group), Dr. Ahmad Shalabi, a history professor, has answered AL-MAJALLAH question regarding his opinion on the Habashis, saying:

"They are a misguided group with a corrupt philosophy. They do not have a comprehensive philosophy of the concept of Islam because their leader, 'Abdallah al-Habashi, grew up in Ethiopia in a climate where various information and religious sciences were not available. Thus, his group developed on the basis of a number of primitive ideas. The danger of this faction is that it does not believe in the ideas of others and thinks that it is the only faction that is always right, and herein lies the source of its danger. Moreover, it antagonizes other Islamic groups and the people of the Tradition and the Community on the basis that what they believe in is wrong."

Dr. Fikri Isma'il, undersecretary of the Egyptian Ministry of Awqaf for missionary affairs, has said that never before in history have the people of the Tradition and the Community disagreed over their faith. Never have their ulema charged other ulema known for their piety, godliness, deep knowledge, and loyalty to their faith with infidelity. This has not been done in Lebanon or outside it. For the first time, a stranger comes to them from Ethiopia—an eccentric with odd ideas and an odd method which he employs in creating sedition among the people of the Tradition and the Community. For the first time, the phrase "making infidel" is uttered by some of them, especially those among them who are misled by this man. For the first time, family problems develop and sons charge fathers with infidelity. Quarrels, disputes, and estrangement develop between parents and sons. For the first time, there are those who insult the most prominent, active, and struggling ulema of the Tradition and the Community in a crude manner that is filled with hatred and malice and who seek to find fault with these ulema, to cast doubt on their words, and to declare them infidel for the slightest ambiguity.

Dr. Isma'il added: "Al-Habashi has charged some of the most outstanding ulema, such as Ibn-Taymiyah, Ibn Qayyim al-Jawziyah, Sayyid Qutb, Muhammad Mutawalli al-Sha'rawi, Muhammad al-Ghazali, and Sayyid Sabiq, with infidelity. Of Lebanon's ulema, he has charged Hasan Khalid, Subhi al-Salih, and Faysal Mawlawi, as well as a large number of venerable al-Azhar men, with infidelity. But why does al-Habashi attack prominent ulema attested to be men of learning and knowledge and considered to be prominent leaders in the history of the people of the Tradition and the Community and lofty edifices of ideological and intellectual learning and knowledge?" Dr. Isma'il answers: "It is hatred, malice, and the love to show off at the expense of most learned ulema. Moreover, this pleases enemies of the course to which the people of the Tradition and the Community are committed. He is an anti-Arab who hates Arabs and a Batini [one who believes in a hidden meaning in the revealed text of the Koran] who hates the people of the Tradition. Consequently, he is hostile to the course that they have defended, namely the course of the people of the Tradition and the Community. If he alleges that he is of the people of the Tradition, then his allegation needs proof. There is no accurate information as to why he truly came to Lebanon and why the ignorant, the riffraff, the opportunists, and commoners rally behind him."

Dr. Muhyi-al-Din al-Safi, a professor of creed and philosophy at the Theology Faculty, has said that he has no information on this faction and has not heard of it before. However, he pointed out that there is a prophecy by the apostle, may God's peace and prayers be upon him, which speaks of the arrival of a man from Ethiopia who destroys a part of the Ka'bah. He added that perhaps this is the faction that is mentioned for its ideas, which contradict religion, the same as the Qadiyani and Baha'i factions. Such factions embrace a corrupt philosophy that does not serve Islam.

MOROCCO

FIS: Members of Palace Entourage Connections

93AF0458A Algiers EL WATAN in French
28 Feb 93 pp 1,3

[Article by A. Boumediene and A. Merad: "The Two Faces of Rabat"]

[Text] Since King Hassan II's most recent declaration, in which he expressed his desire to see the Algerian Islamists accede to power, suspicions concerning the Moroccan Government's connections with the former FIS [Islamic Salvation Front] have deepened. From a usually well-informed source, it has been learned that Anouar Haddam, who was the spokesman abroad for the now-banned FIS, may have received support from one of the influential members of the Moroccan royal palace, Mr. Bensouda, adviser to King Hassan II.

This would appear to conflict with the report that Anouar Haddam was the subject of an deportation order issued by the Moroccans some time ago, but our source informs us that the deportation was a ploy carefully staged by the royal palace to hide the reality from the Algerian Government, which was following the affair closely. It should be noted that Algeria has never tolerated any involvement by the Moroccan Government in the subversive activities of the former FIS. In reality, it appears that Haddam was never deported and that, on the contrary, he had contacts with a key figure, Abdesslam Yacine, the leader of the Moroccan Islamist party, El-Adl Oual Ihsan. According to our source, Abdesslam Yacine is thought to be an agent working for the offices of the royal palace. In that same vein, his political party was said to be nothing more than a vague entity aimed at infiltrating Morocco's hard-line Islamist circles and reporting to the Interior Ministry which, by his own admission, instructed him in the early 1980's to establish a presence at the university to eliminate leftist influence, in particular that of the UNEM [National Union of Moroccan Students].

He has reportedly been living under surveillance in Sale for the past two years, but that information has never been confirmed and appears very unlikely given the fact that such preferential treatment is unheard of in Morocco. Abdesslam Yacine took Anouar Haddam under his wing and saw to the financial needs, in particular, of the former FIS with the benediction of the royal palace. (He is also said to have a close relationship with the terrorist leader Chebouti.)

Consequently, it is clear that Morocco speaks two different languages when it comes to Algeria: the one, at the official level, destined for diplomatic consumption; and the other favorable to the former FIS and undergirded by support at the highest level.

Further evidence of collusion between Morocco and the FIS appeared in the monthly magazine AFRIQUE-ASIE, which reported that Moroccan organizations are thought to have been involved in the failed attempt on General Khaled Nezzar's life. Thus, the Moroccan Government is seeking to secure the good graces of the fundamentalist movement so as to ensure the continued survival of the throne which could be imperiled by any popular movement.

Motivated by that same concern, it entered into a secret agreement with the regime in Tehran, making Morocco a country of transit for entry into Algeria and even Egypt.

In exchange, the mullahs agreed to refrain from exporting their "revolution" to Morocco. Since that agreement was reached, by the way, Algerian veterans of the Afghan war have returned to Algeria via Morocco. As proof of this collusion, King Hassan II, who has always considered Shiism to be "impious," recently proposed a "dialogue" between Sunnis and Shiites.

Growth of Islam, University Presence Discussed

93AF0454A Algiers EL WATAN in French 15 Feb 93
pp 1, 12

[Article by Genevieve Fidani and A.B.: "Morocco: Myth and Realities"]

[Text] *Fundamentalism is establishing itself in Morocco. Insidiously but surely. Moroccan Islamists have chosen the university as the necessary place they prefer for spreading their ideas.*

Like Algerian and Tunisian fundamentalists, they have infiltrated the universities, where they provoke confrontations with progressive students, especially those belonging to the Illal-Amam movement.

The fundamentalists chose Fez University as the starting point for their propaganda. At first they were encouraged by the government, which thought it could use them to neutralize the Left.

One of the fundamentalist leaders, Abdesselam Yacine, was himself surprised by the repression now being directed at his supporters, saying that they were encouraged by the Ministry of Interior to combat the student Left.

It must be said that the student Left has been fighting the monarchy head on since the early 1960s. It is still paying a heavy price in its fight for democracy and justice. Now weakened, it is surrendering the field to the fundamentalists, who for their part constitute a real danger.

Is the wave of fundamentalism that is sweeping through the Maghreb affecting all countries in the same way? We tried to zero in on Moroccan reality by making a survey on the spot. And found fragments of reality in the midst of official talk and collective fantasies.

Fez—It was an ordinary day in Fez. The center of town was under tight police control. On the heights, there were even patrols of armed soldiers. Why such a stir by police and the military? "His Majesty is in Fez at the moment," a sentinel told us soberly. Impressive protective measures for a monarch who knows he is so well-loved by his subjects. Perhaps the city is still paying for the turbulence it caused in years past.

From the events in December 1990, which led demonstrators to set fire to the Merinides Hotel (one of the city's luxury establishments, it has now been restored—in questionable style), to the confrontations among students that claimed at least half a dozen victims last year, Fez has earned a reputation as a rebel. Some people say that explains the presence of Hassan II and his troops, who usually prefer to stay in Marrakech at this time of year. But no trace of rebellion remains. From the area around the old town and the royal palace, which have been surrendered to the tourists (still rare at this time of year), to the vicinity of the university, order prevails.

On the campus located on the outskirts of town, there is nothing to indicate any special agitation. Students come

and go under the eyes of the "AWACS" (police officers who were imposed on the students by the regime in 1984, when it was also engaged in buying AWACS aircraft from the Americans, and who were given that derisive nickname by the students). Those fierce watchdogs are responsible for protecting the university from "outside elements" that might disturb its peace and also, incidentally, for keeping an eye on members of the UNEM (National Union of Moroccan Students), the only student union that is tolerated. That official version is challenged by Mustapha, a third-year law student. In his opinion, the AWACS turn a blind eye to the entry of outside agitators and take advantage of periods of confusion to rough up students.

That little remark having been made, silence returned. Last year's confrontations, which caused deaths here and in Oujda, are mentioned reluctantly. The Islamist students who are trying unsuccessfully to infiltrate the UNEM attempted to create martyrs to give their movement a boost, says one young man. Others prefer to put responsibility for the violence on the extreme Left. They say that people claiming to represent Illal-Al-Amam, the movement founded by Abraham Serfaty, kidnapped and tortured fundamentalist students, who retaliated.

A. Benkirane talks about a return to Islam's sources and of indispensable economic and social changes. He says: "It is not possible to govern Islamic peoples in a Westernized manner." And he lists such deplorable trends among young people as celibacy, nightclubs, and miniskirts. He says firmly: "People are not happy that way."

Any solutions? Use the gentle approach to work on the population. "The Islamists need working methods that will restore meaning to the life of the peoples." A huge program. The Movement for Reform and Renewal is firmly opposed to violence, and in its working methods it seems to be closer to Mahfoud Nahnah's Hamas than it is to the FIS [Algerian Islamic Salvation Front], even though it feels more affinity with the latter. "The Algerian example is that of an oppression of the people forcing them to turn to the mosques," says Abdelillah Benkirane, who adds, as though making a scarcely veiled threat: "If we are not allowed to abandon our isolation, the government will have to face uncontrollable movements of anger, and that would not be desirable either for them or for us." Including Abdeslam Yacine's movement in that statement, he warns: "If there is a revolt, it will not belong to anyone."

Conclusion: "we should have our chance to show what we are capable of." The students in the Islamist sphere of influence did show it in Fez and Oujda. Victims, says A. Benkirane, of violence on the part of the extreme Left, which is supposedly losing momentum on the campuses, they provoked confrontations that resulted in six deaths, according to the official count.

Movement Hard To Define

In its own way, then, Moroccan fundamentalism is on the march. With its Justice and Charity group (about

20,000 members, mostly young people) interested mainly in "social and political reform" and its Movement for Reform and Renewal focused on a spiritual quest, its existence can no longer be denied. And those two faces in chiaroscuro may well conceal a hard-to-define area of illegal groups strongly imbued with fundamentalism. In Tangier and Tetouan in northern Morocco, there is talk of entire neighborhoods that have fallen into the hands of those mysterious religious groups. A. Benkirane alludes to that fact when he talks about associations financed from abroad (Saudi Arabia in particular) but fiercely denies that he receives the slightest amount of money from abroad. His statement brings smiles to the lips of one member of the USFP [Socialist Union of Popular Forces], who wonders how the group manages to publish a daily newspaper with contributions from a few thousand members.

Reform and Renewal is on bad terms with its Moroccan counterpart but maintains relations with the Algerian, Tunisian, and Egyptian fundamentalist movements, although, unlike the Muslim Brotherhood, it does not believe that establishing an international movement is possible or even necessary. That free and easy approach sets the traditional political parties on edge. Some of them do not hesitate to accuse the members of Reform and Renewal of being government agents assigned the job of provoking a split in the traditional political parties. Lining up under the king's banner so as not to provoke the Islamists is often the only alternative put forward by the government. It is whispered that the state would be generous to them. It is said that they live under a threat. But people say so many things in Morocco. Abdelillah Benkirane remains calm.

He heads a school which, he points out, is coeducational. He says that membership in the EEC would be good for the economy but bad for Islam. He approves of foreign tourism provided that visitors behave modestly, and he admits that certain Western values with regard to human rights and freedom have their good aspects. They would even make it possible to rediscover forgotten facets of Islam—a smooth blend making it possible to combine fundamentalist strictness with the tastes of those he is talking to. Moreover, the man has a sense of humor. Referring to the French refusal to grant him a visa to attend a seminar, he said asked wonderingly: "What did they think? That I wanted to emigrate?"

Hand of Iran

Morocco will soon be the target of fundamentalists, according to a report by THE MIDDLE EAST CONFIDENTIAL in a weekly newsletter dated 12 February 1993. The decision was reportedly reached at a meeting held in Tehran by all the representatives of the world's fundamentalist movements. During that meeting, which was held to formulate a strategy for "exporting the Khomeyni revolution," several Iranian and pro-Iranian organizations from the Middle East, along with fundamentalist leaders from Egypt, Sudan, Algeria, Tunisia,

and Morocco, ordered a vast "fundamentalist mobilization" in Morocco. Previously spared by that phenomenon, Morocco has recently been experiencing a degree of tension fueled by the activities of Moroccan fundamentalists, who have caused serious disturbances in the universities. The result has been prison sentences for students participating in the demonstrations.

Morocco's five fundamentalist movements have also engaged in actions aimed at destabilizing the regime—including in particular the holding of political rallies and the distribution of tracts calling for a people's uprising. The fundamentalists are also killing police officers, and the number of victims is now said to have exceeded 40. The threat of fundamentalism has been hanging over Morocco for many years, considering that Abdelkarim Motiaa's "Islamic youth" was formed as far back as 1969. The hand of Iran was present even then, because it was in Tehran that the leader of the group found refuge when he was deported from Morocco. During the 1980s, another fundamentalist movement, known as Al Adl Oual Ihsan, was established by Abdesslam Yacine. That organization was the main source of the disturbances in Moroccan universities a few months ago.

According to THE MIDDLE EAST CONFIDENTIAL, the fundamentalists who expect to take action within the next few weeks are taking advantage of the political tension that has emerged in Morocco. With parliamentary elections a month away, the four opposition parties—the USFP, Istiqlal, the Congress and Socialism Party, and the Democratic and Popular Action Organization—are already accusing the Moroccan Government of election irregularities.

The decision made at the meeting in Tehran was completely unexpected, all the more since all of Hassan II's overtures to Iran have been favorably received. It should be remembered that Hassan II was one of the few Arab chiefs of state to send the Iranian leaders a telegram of condolences following the airplane accident last 8 February. He also offered to settle the political dispute between his neighbors in the Gulf, notably by reestablishing dialogue between Sunnis and Shiites in order to overcome the theological differences separating them.

The recent arrival in Rabat of an ambassador said to be close to Rafsanjani hinted at a better understanding between Morocco and Iran. But reactions in Iranian religious circles, which are headed by Khamenei, are much more lukewarm, and they are reportedly at the source of the operations planned by fundamentalists in Morocco.

Figures on Citizens in France

93AF0458B Casablanca LA VIE ECONOMIQUE
in French 12 Mar 92 p 16

[Text] Conflicting reports of the number of Moroccans living in France have been published. A reliable study was conducted by the Ministry of the Moroccan Community Abroad. Unfortunately, its work is now dated, as

it was published in 1990. Since then, the number of Moroccans in France has grown by an average 3.5 percent per year. The figure should now be close to 650,000 Moroccans.

The census carried out by France's National Institute of Statistics and Economic Studies (INSEE) found that 584,708 Moroccans were living in France in 1990, compared with 441,308 in 1982, for an annual 3.5-percent growth rate. (These figures do not take into account Moroccans who hold French citizenship and who number 40,000 or 6.8 percent of the Moroccan community in France.)

Today, the Moroccan community represents 16.2 percent of all foreign communities living in France, as compared with 11.2 percent in 1982. It ranks second only to the Algerian community in France.

Gender and Age Groups of the Moroccan Community

The census also revealed that the Moroccan community in France is predominantly made up of young people: 52.67 percent are less than 24 years old; 44.8 percent are between the ages of 25 and 59; and only 2.47 percent are 60 or older.

The Moroccan community is made up of 326,589 men (56 percent) and 257,849 women (44 percent).

Occupational Categories

The commercial sector attracts most of the Moroccans who live in France (48,765 individuals). It is followed by industry that employs 44,176 Moroccans, construction and public works, agriculture, and last, the services sector.

Joblessness among Moroccans in France is put at 65.1 percent. That is explained by the large number of non-working members of the community under the age of 24 who represent 307,972 of the total.

In addition, a fairly large number of Moroccans (24.3 percent) are employed as workers, while only 5 percent hold salaried jobs.

The INSEE census found that 403,354 (or 69 percent) of the Moroccan population in France were born in Morocco as compared with 181,354 (or 31 percent) who were born in France.

[Box, p 16]

The Moroccan community living in the Persian Gulf is divided among the following countries:

- Saudia Arabia: 15,000
- United Arab Emirates: 3,000
- Kuwait: 800
- Qatar: 200
- Bahrain: 130

Gender and Age Groups of Moroccans in France

Age Group	Men and Women
0 to 14	212,009
15 to 24	95,963
25 to 39	135,504
40 to 59	126,788
60 and older	14,444
Total	584,708
Age Group	Men
0 to 14	107,806
15 to 24	50,493
25 to 39	63,516
40 to 59	94,528
60 and older	10,516
Total	326,859
Age Group	Women
0 to 14	104,203
15 to 24	45,470
25 to 39	71,988
40 to 59	32,260
60 and older	3,928
Total	257,849

Occupational Categories of Moroccans in France

Occupation	Number of Persons
Farmers	796
Craftsmen and merchants	6,880
Upper management and self-employed professions	5,272
Intermediate professions	9,396
Support personnel	29,816
Workers	142,229
Retirees	9,480
Not employed	380,839
Total	584,708

Accord Signed To Purchase Algerian Electricity

93AF0447A Casablanca LA VIE ECONOMIQUE
in French 5 Mar 93 p 11

[Article by D. Bouchra: "Is the ONE Going To Drop Ballast?"]

[Text] *The importation of electricity from Algeria: an emergency measure among many others decided upon by the ONE [National Electricity Office] to resolve the problem of load shedding stemming from the drought and the shortage, of which nearly 50 percent will be absorbed. It is also a contract concluded on "good terms based on the ONE production cost." As for the effect on consumers' bills, not a word.*

Meeting a shortage of 300 MW [megawatt] during peak hours is a difficult challenge for the ONE. The drought continues and most of the ONE production machinery is water-powered. Because the Jorf Lasfar hydroelectric power station and the Tit Mellil and Tetouan gas turbine power plants had not yet gone into service, the ONE chose to get ahead of events and implement an emergency plan. A series of measures was adopted. In order to meet demand that increases 7 percent annually, the ONE is trying, first of all, to act on that demand with manufacturers in a concerted manner and second, increase all production possibilities. The latter include the importation of Algerian gas.

The office has concluded a purchase contract with its Algerian counterpart, SONELGAZ (National Electricity and Gas Company), to supply a billion kWh [kilowatt-hour] for a power of 150 MW at peak hours and 100 MW during off-peak hours in 1993 and 1994. This contract fits into the framework of the renewal of the protocol governing electricity exchanges signed by the two companies following the completion of the first interconnecting line in 1988.

Contract No More Expensive Than Production Cost

The protocol permitted the conclusion of an initial contract based on which SONELGAZ will supply the ONE with 550 million kWh of electricity at a power of 70 MW in 1990 and a second contract for 750 million kWh at a power of 100 Mw in 1992. The latter contract for 1993 and 1994 is of great interest to the ONE. The amount was not revealed by the two partners. Sekkaki, ONE director of production and transport, told us only that "the price was negotiated on favorable terms." He added that "the contract is interesting in two ways: First of all, the amount of the contract is no more expensive than the production cost. Second, it contains no contingencies." In other words, it is thought that the supply of electricity is guaranteed and not threatened by operating restrictions.

For its part, SONELGAZ did not deem it useful to divulge the sale price.

The head of foreign relations at SONELGAZ believes the transaction was completed "at a normal negotiated price." Is it a preferential price or not? Nothing has leaked out on the subject. Concerning the contract's impact on the electricity rate for manufacturers in particular, a rate that certain rumors claim will rise, ONE officials are not categorical. Certain officials have told us that the purchase of electricity at SONELGAZ only fits into the framework of measures taken to meet various problems confronting the Office.

One must note that both sides have placed great emphasis on the spirit of cooperation and partnership that has marked relations. Moreover, even COMELEC (Maghrebien Electric Power Committee) has been revived and the member companies: ONE, SONELGAZ, STEG [Tunisian Gas and Electric Company] (Tunisia), GECOL [expansion not given] (Libya), and SONELEC

(National Electric Company of Mauritania) have decided to revive the interconnection in order to ensure "balanced and united energy exchanges."

Algerian Surpluses for Maghrebien Neighbors

The interconnection between the Maghrebien countries, particularly between Morocco, Algeria, and Tunisia, is no recent phenomenon. In 1988, the three systems had a combined total of over 10,000 km of very high tension lines, an installed power of 7.4 million kW [kilowatt] for a peak power of 4.7 million kW, and an annual production of 25.6 billion kWh. Experts say the combined production systems are complementary and thus create "an inertia effect" enabling the Maghrebien system to meet all contingencies. In addition, yield is better because the power plants in each of the countries operate at a normal rather than a weak load.

The proposed first line between Morocco and Algeria connecting the Oujda station and Ghazaouet (46 km long, 12 in Moroccan territory) was begun in the 1970s. It was not completed until 1988 because work ground to a halt when the borders were closed between 1975 and 1988. Nevertheless, with the resumption of diplomatic relations between Morocco and Algeria, completion of the project was one of the first contracts of bilateral cooperation concluded between the two countries.

Operating at a power of 70 MW, this first line was initially conceived for balanced exchanges of electricity, but ONE production conditions and the drought prevented the Office from balancing the books at the end of 1990.

In addition, since Algerian electricity is produced by water and gas power, SONELGAZ has a surplus production capacity.

SONELGAZ has said that investments were made based on numerous industrial projects planned and anticipating an increase in demand of 10 to 12 percent. Nevertheless, many projects never saw the light of day and SONELGAZ therefore has a surplus of electricity that it exports to neighboring countries.

The first contract to supply 550 million kWh of electricity concluded in 1991 was joined by another for 750 million kWh following construction of the second Tlemcen-Oujda line in 1992, the latter for a million kWh.

Interconnection and Its Considerable Benefits

Numerous officials on both sides have confirmed the many benefits that the interconnection could engender. First of all, there is the possibility of helping one another and doing so immediately. In the case of a sudden breakdown, help from one country to another is instantaneous and can amount to as much as 150,000 kW. Moreover, because of the time difference between Algeria and Morocco and its effect on weekends, the interconnection makes it possible to stagger peak hours and enable the system to respond to the demand for

power. In the technical domain, "the quality of service and reliability are improving substantially thanks to the pooling of revolving reserves and possibilities of exchanges that will make it possible to obtain better stability of frequency." The other advantage—and not the least—is economic: "The coordination of equipment programs and the management of means of production and transportation, integrating scheduled exchanges, results in appreciable savings on operating costs and investments." In other words, operation of the interconnected system is optimal. Moreover, it makes "large-scale" production units "more economical without endangering the reliability of the supply of power to the systems."

Given all these advantages, it seems vital to import electricity while waiting for the Jorf Lasfar hydroelectric power plant to go into operation and the first deliveries of gas via the Maghreb-Europe gas pipeline (end of 1995), as well as the "conversion of certain thermal plants that currently burn fuel (Kenitra, even the first two phases of Mohammedia, and the 33-Mw gas turbines installed on the same site)."

The Maghrebian interconnection is the first stage between the systems on the European Continent and Africa. The electrical connection with Spain is being considered for 1995-1996. The studies have been completed.

Calls for bids have also been issued for the laying of underwater cables across the Strait of Gibraltar. The specified power varies between 300 and 600 MW. A new phenomenon: electric power without borders.

Nevertheless, an analysis of comparative advantages is essential. Buying at a lower cost is indeed the major concern of a good manager, economic rationality obliging. And yet, other factors do enter in and their consideration could well entangle us in another debate.

SAUDI ARABIA

Industrialization Faces Several Hurdles

93AE0395A London AL-SHARQ AL-AWSAT in Arabic
22 Feb 93 p 13

[Article by Salah Sindi: "Financial and Technical Factors May Impede Saudi Industrial Thrust"]

[Text] Despite the growth it achieved in recent years, Saudi industry faces a number of hurdles that could slow down development in the next few years, according to industrial circles.

Obstacles against another spurt of development are identified by sources as bureaucratic red tape, such as in nonconnecting basic utilities (water, electricity, and telephones) and the issue of tax breaks for foreign firms.

Engineer 'Abd-al-'Aziz al-Zamil, minister of industry, met in that connection with a number of industrialists in

Jeddah. The meeting was attended by Isma'il Abu-Dawud, chairman of the Jeddah Chamber of Commerce and Industry.

Al-Zamil was apprised of, and pledged to resolve, the problems encountered by industrialists at Jeddah's Industrial Zone. Industrialist complaints centered mostly on the nonconnection of basic utilities.

Al-Zamil reviewed the latest figures and data on the kingdom's industrial projects in the past 10 years following the implementation of foreign investment, exemptions, and industrial zone systems.

Al-Zamil said that his ministry is currently working with the agencies concerned for the removal of those hurdles. He told businessmen that it is not enough to make their views known, they should also come up with solutions. The water problem, he added, is being resolved through desalination.

One industrialist pointed out at the meeting that the lack of tax breaks for foreign investments [firms] that wish to expand existing factories is a disincentive for investing in new facilities.

Another industrialist opined that it would be impractical to submit expansion projects to the authorities concerned as if those projects were new ventures.

Moreover, companies are taxed on gross profits and not only on distributions (dividends). If the tax were limited to realized profits, foreign venture capitalists would be induced to reinvest their gains. Furthermore, a tax on distributed profits means that foreign investors would have to pay taxes anew when they wish to withdraw and return [home], which translates into double taxation.

That is why, industrialists warned, attracting foreign investments will not be as easy in the 1990's as it was in the 1980's. Even though facilities and privileges available to investments remain relatively attractive, the dearth of funds available for investment worldwide and the competition for foreign capital by an increasing number of countries in the Middle East, as well as throughout the world, may force the countries concerned, including Saudi Arabia, to offer foreign investors even more incentives.

A group of Saudi businessmen had proposed to concerned Saudi authorities that tax holidays be expanded for foreign investors active in the country.

The proposals ask that foreign firms that expand their projects within the kingdom be exempted from taxes for an additional 10-year period. The Saudi government currently exempts such companies from profit taxes for 10 years, after which they begin paying taxes at an average rate of 45 percent.

One businessman commented that "current tax laws in the kingdom were promulgated more than 30 years ago

when the 45 percent rate was deemed optimum compared to the 70 percent tax rate then common in many countries of the world. However, in their effort to attract foreign investment, industrialized and developing nations have reduced their tax rates over the past two decades. It is imperative to deal with the fact that the median tax rate in the world has now dropped to about 28 percent and that we must stay in step with this global trend.

The proposals also called for taxing only the profits distributed to project partners that would supplant the current practice of taxing realized profits. The proposals assume that this would encourage foreign firms to reinvest their profits within Saudi Arabia.

Businessmen expect foreign investments, both commercial and industrial, to expand if the authorities approve the proposed tax changes. They pointed out that most of the benefits would accrue to the industrial sector since the reinvestment of profit within the kingdom would take the form of expanded facilities, research, and training of Saudi workers.

On the other hand, Gulf industrialists in general, and not merely those in Saudi Arabia, are disturbed because foreign partners hold back on supplying advanced technology when they invest in the region.

Foreign partners say that "in order for us to transfer our technology we have to safeguard our rights and we need appropriate guarantees." By the same token, it is the Gulf [industrialists'] view that Gulf partners are offered "obsolete technology for the production of outdated products." Gulf partners add that foreign firms are willing to enter into partnerships as long as no patent rights are involved but they rarely offer to license the production of original products.

An example given by Gulf industrialists is that they proposed three industrial ventures at the joint Gulf-European Conference. One was for tripolysodium phosphates, which are used in the production of detergents, toothpastes, and paper products. The second was for propylene oxide used in the production of polyurethane. The third was for septic acid used in the production of acetate products and especially paints. The main obstacle to all three projects was obtaining the necessary technology.

The lack of European participation in Saudi petrochemical facilities is cited by Gulf industrialists as an indication of foreign company adamance against bringing advanced technology into the region. The only company that has a presence there is the American subsidiary of Royal Dutch Shell.

Foreign partners cite several reasons for slow industrial development in the Gulf. Among them are the relatively small size of domestic markets, local investor preference for activities with faster and higher returns, government focus on infrastructure projects, the lack of an industrial culture, the lack of self-capacity for researching and

developing technological industries, and the lack of an adequate supply of foreign manpower.

Gulf officials respond that such factors may have been obstacles in the past, but the region currently deserves another look in far as market potential is concerned because it offers a unique group of cost and return incentives. They add that the region enjoys political stability, and its official policies favor free markets.

Numerous foreign investors agree with that analysis, but they say that problems keep cropping up. Some current investors in the region criticize the requirement by most nations that investments in domestic industry take the form of joint ventures with local investors that, in most cases, emerge as agreements where Gulf partners hold majority ownership. They likewise decry restrictions on importing foreign labor into the region.

But again, there is a different viewpoint in the Gulf.

For instance, Saudi industrialist Wahib Bin-Zaqr believes that technology has become commonplace and that there is no such thing as outmoded technology and new technology, especially in industries such as the petrochemical industry. It should also be recognized that acquiring modern equipment requires a great deal of money because foreign partners do not find it to their great advantage to supply us with advanced technology.

Bin-Zaqr said that the acquisition of technology is primarily a function of negotiation and that foreign investors do not sell technology. They come to invest in our region for one of three reasons—to protect their markets, to realize a profit, or to enter a high-consumption market, such as the Gulf.

He added that the region's familiarity with technology, especially with its maintenance and management, is still limited and that the number of domestic skilled workers remains very low.

He explained that foreign partners view facilities as an additional factor and do not really consider them of the essence. He added that most other countries now provide facilities that equal, if not exceed, those offered by the Gulf, especially in view of the high level of taxation in Saudi Arabia.

It is the opinion of more than one industrialist that firms face a serious problem in such bureaucratic matters as the importation of workers, visas, and passports.

More than one industrialist has suggested the creation of an agency to which all industrial firms would consult for such things as taxes and visas.

In another development, the Gulf countries are currently reviewing their policies on foreign investments in industry. Bahrain has recently allowed the establishment of firms that are totally foreign-owned, provided they engage in productive projects. The Dubai Government also sanctions wholly foreign-owned companies in the Jabal 'Ali free zone, where (SUNY) founded the first

such company. Kuwait is currently reviewing its restrictions on foreign investment and is studying the feasibility of creating a free zone.

Bank Mergers, Condition, 1993 Outlook Analyzed
93AE0386A London AL-SHARQ AL-AWSAT in Arabic
26 Feb 93 p 13

[Text] London—Banking observers expect 1993 to be a critical year for organizing the Gulf bank situation. Many speculate that the rate of bank mergers in the UAE [United Arab Emirates] and in the Sultanate of Oman will increase and that many off-shore banks in Bahrain are under pressure because of increasing competition from banks that grew immensely last year. Specialists in this field have noted the growth of Saudi banks, which last year benefited from the government's borrowing from the banking system in order to meet public expenditures obligations, in addition to stock deals and active investments that brought good returns.

These predictions followed a series of encouraging results that were announced this week, which prompted observers to call the last week of February the Week of the Gulf Bank. Major banks have announced a sharp increase in profits in 1992, which reached a net 76 percent in the case of the Arab Banking Corporation (ABC), 88 percent in the case of Riyadh Bank, and 21 percent in the case of the Saudi-American Bank. This reflects the degree of the general confidence that has prevailed in the banking system in the Gulf since the Gulf crisis was overcome. These rates may not fully reflect the situation, but the figures, as banking specialists point out, strengthen the achievements realized. What has been achieved also does not indicate that the Gulf banks are free of problems.

In Saudi Arabia the Saudi-American Bank, in which Citicorp 30 percent of the shares, tops the list of banks that announced profits in 1992. The bank's profits increased by 21 percent in 1992, that is, to 910 million riyals (\$243 million), compared with \$210 million profits earned by the entire Citicorp group in the last quarter of last year.

The Bank of Riyadh profits have increased by 88 percent, to 745 million riyals (\$199 million), over last year's adjusted profits. Earnings per share increased only 13 percent because of the bank's floating of its shares. Even al-Jazirah Bank, which showed losses until 1991, has once again shown profits that totaled 30 million riyals.

In Bahrain, the Arab Banking Establishment realized \$79 million in profits in 1992. The International Gulf Bank, which has its headquarters in Bahrain, announced the distribution of \$45 million to its shareholders following the great improvement in its profits in 1992. The bank made a net profit of \$63.7 million, an increase of 37 percent. The bank's total assets have increased from approximately \$482.1 million to \$6.3402 billion [figure

as published]. At the same time, the bank allowed non-Bahraini investors to buy its shares, a step aimed at raising its share prices.

In al-Shariqah, the al-Shariqah Bank, Ltd., announced a marginal increase in its profits, to 12.1 million dirhams (\$3.29 million) from 12.05 million dirhams (\$3.28 million). The bank's general assembly decided not to distribute dividends to the shareholders for the second successive year. Instead, it announced increasing the paid capital to 80 million dirhams by granting the al-Shariqah Government 100,000 shares with a nominal value of 100 dirhams per share. This was part of an agreement concluded last November to reschedule 1.8 billion dirhams in debts that the al-Shariqah Government owes to the four national banks in the Emirate, including al-Shariqah Bank, Ltd.

Despite all of this, the "bright" spot that began in 1992 and continued through the year is not yet complete. The problems from which the Gulf banks are suffering are numerous. There are still many outstanding problems that the region's banks need to resolve before they can rid themselves of the hindrances that obstructed their progress in the past. In Kuwait, for example, the question of debts is still awaiting a final solution. In al-Shariqah, the state's continued borrowing from the banking system without repayment has led to a crisis that recently called for government intervention in order to rescue four banks. In Bahrain, some of the banks that suffered the consequences of the Iraqi invasion of Kuwait are gathering their strength and thinking of playing a new role following the liberation of Kuwait.

On one hand, this has led to Bahrain's position as a financial center becoming shaky in the face of strong competition by other banking centers in the Gulf that are gaining power every day. Bahrain's problem is evident in the decreasing number of off-shore banks. Their number has dropped from an average of 70 banks in 1987 to 46. This, however, did not prevent the banks that were most effected by the Iraqi occupation of Kuwait from increasing their assets, which after the Gulf war dropped from \$60 billion to \$48 billion.

The post-Gulf war conditions have motivated the Gulf banks to restructure their strategy, particularly the ABC, which lost \$50 million in outstanding debts to Iraq. The new situation has prompted the ABC to consider expanding its international network. It has bought 100 percent of the IBA [expansion not given] Bank in Hongkong and 60 percent of the Spanish Atlantico Bank. In the meantime it focused on ABC International whose headquarters is in London.

Banking experts say the expansion has turned the ABC almost into a holding company managing a group of branches and sister companies. The sources said that 60 percent of ABC operations are now concentrated in the Spanish Atlantico Bank and the IBA of Hong Kong.

On the other hand, banking specialists say other off-shore banks are facing certain problems that are closely

related to the vestiges of the Gulf war. The unfavorable conditions that dominated the Kuwaiti banking system (including drop in available surplus investments and the State of Kuwait being compelled to borrow from the international banking system) has led to shrinkage of world surplus capital that was previously forwarded to the off-shore banks. Challenges facing the small off-shore banks in Bahrain stem from the vitality and activity of other banking sectors (especially Saudi Arabia), particularly in the post-war era, which has led to opening new investment channels and has helped to keep capital in the country and repatriate assets from abroad.

Some of the off-shore banks fell victim to this factor last year, including the Bahrain Arab Bank and the Kuwait-Asia Bank. Specialists say more off-shore banks will continue to collapse this year.

On the other hand, there is talk in al-Shariqah about imminent mergers, which many believe are necessary in order to rectify the course of the banking system in the Emirate. The issue gained momentum following the call by Minister of State for Financial Affairs Ahmad al-Tayyir for more mergers, at both the emirate and federal levels.

UAE Central Bank Governor Sultan Nasir al-Suwaydi has stressed more than once that he will not force the local banks to merge, and the idea that mergers will take place between the 19 local banks has become widely accepted in banking circles.

According to a report, the agreement that al-Shariqah signed with the four UAE banks last November will probably lead to mergers taking place. The agreement provides for rescheduling 1.8 billion dirhams in debts that the UAE government owes the four banks.

The other three banks—al-Shariqah Bank, Ltd., the Investment Bank, and the United Arab Bank—will have to absorb liabilities totaling 32.1 million dirhams, 106 million dirhams, and 143.2 million dirhams, respectively. This will lead to a substantial drop in the rights of their shareholders, but some bankers point out that the National al-Shariqah Bank, the one most likely to be a party to the merger, will need up to 500 million dirhams (\$136 million) in order to boost its capital before such a merger could take place.

The mergers are one of a series of measures aimed at strengthening the banking sector in the UAE in order to be able to cope with developments on the international level and meet the needs of its clients.

Several factors called for taking these measures. The first was the effect of the collapse of the Bank of Commerce and Credit International [BCCI] in 1991 and shock suffered by the UAE's banking system because of the substantial deposits its banks had in BCCI.

Commitment to financial cover [mila'ah] standards according to the International Settlement Bank recommendations was the second factor. Despite the fact that

central bank governors in the GCC countries once again stressed their reservation regarding the low category in which the International Settlement Bank has placed the Gulf banks, the governors stressed the need for the banks to be committed to the rate, which is 8 percent.

On the other hand, bankers say that the bank merger option will not be restricted to UAE banks alone. Rather, it will include banks of the Sultanate of Oman because the Omani banking sector is suffering from an unjustifiably large number of banks. The Muscat Bank and the National Omani Bank announced their intention to merge at the end of 1992. For its part, the Central Omani Bank is continuing to promote the merger policy. Recently the bank issued regulations raising bank capital to a minimum of 5 million Omani riyals (\$13 million) in an effort to bring pressure on small banks to improve their status. According to the new regulations, which will be implemented in October 1993, only four banks—Oman Bank, Bahrain Bank, Kuwait Bank, Oman International Bank, and Oman National Bank—have enough capital and assets to apply the new restrictions, which means that the rest of the banks in the Sultanate of Oman will be compelled either to merge or to increase their capital.

Also, one of the most significant developments in the Sultanate of Oman in 1992 was the National Bank of Oman overcoming the effects of its connections with BCCI. The bank received \$51.9 million as new capital from the state, an additional \$52.2 million in the form of easy-term loans, and another \$101 million as a guarantee to back its balances and compensate the assets that were deposited with BCCI.

Despite all of this, 1992 remains to be the "year of the banks" in the Gulf because their performance has been characterized by strength in comparison with the performance of banks in the Western industrialized states. The Western banks have been affected by the economic recession that has prevailed in those countries. In Britain, for example, the National Westminster Bank allocated \$1.9 billion in order to cover its bad debts. Specialists say that if 1992 was the year of abundant profit for private banks in Saudi Arabia, the current year is going to be rosy, too.

With the end of the period in which the banks usually issue their annual reports, none of the Saudi banks reported suffering any losses last year. Rather, most of them made an average profit of 20 percent or more. The specialists attribute the emergence of the banking sector in Saudi Arabia as a major power in the region at present to the Saudi economy's good performance during the past two years, performance that is expected to continue.

Growing economic activities means that there are more loans and finances for imports. Saudi Arabia has also benefited from the drop in world interest rates and has made profits from bonds and stocks by increasing borrowing. On the other hand, the Saudi banks also gained from the Saudi Government's borrowing from the local

banking system and from many state-owned companies that funded their expansion by borrowing from local banks, in addition to borrowing from international banks.

Many Saudi banks also benefited from share-floating in the Saudi market, where successive issues brought them funds.

This has enabled banks that had allocations for major losses to make reasonable profits. The challenge currently facing the banks is how to increase shares dividends and not just increase the bank's income, but most of economists feel that this is possible because of the increase in economic activity.

On the other hand, the National Commercial Bank, Saudi Arabia's largest bank, has not reported its results since 1989. But bankers and officials say that the bank is continuing to do well.

Nevertheless, many economists and analysts do not wish to announce their expectations regarding the rate of net profit by Saudi banks at the end of this year.

Some of them believe that the profits for certain banks will increase, while others warn that the bigger problem looming in the horizon is the possibility of Iraq resuming its oil exports, which would weaken the price of crude oil internationally and affect this will have on reducing the Saudi's annual returns. The experts say that if Saudi Arabia is forced to borrow from the banking system in order to bridge the gap in public expenditure, this will affect the Saudi economy's growth rate and the performance of Saudi banks. Others point out that the Saudi family's average annual income is \$47,000, on which no income tax is paid. This is the basic force that has driven the Saudi economy and has led to the economic upsurge that the Saudi banks are enjoying at present. The experts add that the cash liquidity available in the market is more than enough to maintain the strength of the Saudi banking system.

SUDAN

Commentary Analyzes NIF's Multiple Stands

93AE0438A London AL-SHARQ AL-AWSAT in Arabic
2 Feb 93 p 8

[Article by Muhammad al-Hasan Ahmad: "Sudan—Outward Appearance, Inward Reality in Stands of al-Turabi's Front"]

[Text] Two weeks ago the French newspaper LE MONDE said that Dr. Hasan al-Turabi, the general secretary of Sudan's National Islamic Front (NIF), had implicitly recognized Israel as a state. LE MONDE reported al-Turabi as having said in an AGENCE FRANCE-PRESSE interview that the newspaper published on the 21st of last month: "We must take account of the existing situation and accept it." He added: "This is not the first time that the Arabs have lost some

territory." The newspaper indicated that he had called on Muslims to support Security Council Resolution 242, which contains explicit recognition of Israel and demands that it have "secure and guaranteed borders."

According to LE MONDE, as quoted by AL-SHARQ AL-AWSAT on 22 January, al-Turabi left the door open to a compromise on the future of the occupied territories when he said: "The final goal must be regaining all of the occupied territories, but without expelling the Jews from them." But all Sudanese and probably most followers of Sudanese affairs remember that the April 1985 popular uprising that overthrew the Numayri government tried the Numayri regime for the case known internationally as the evacuation of the Ethiopian Falashas to Israel via Sudan and known in Israel as Operation Moses. At the time of the evacuation of the Falashas, Dr. al-Turabi was the president's adviser on foreign affairs, which led the court to question him as a witness. Although he denied any knowledge of this important operation, another senior NIF leader, Ahmad 'Abd-al-Rahman, was minister of internal affairs at the time. Among his responsibilities was civil aviation. The evacuation of the Falashas was the responsibility of foreign security and civil aviation. People at the time noted that the NIF press, large though it was in those days, did not embark on publishing details of the case. Some NIF lawyers even participated in defending the main defendants, of whom the most prominent was Security Colonel al-Fatih 'Urwah, who was the connecting link between American intelligence and the entire network involved in evacuating the Falashas to Israel. The colonel turned state's evidence, and in return for his revealing all of the secrets, the sentence did not touch him. As soon as the NIF came to power in Sudan, it restored him without delay or hesitation to the armed forces with the rank of brigadier general at a time when it dismissed or discharged thousands of officers from service. Beyond the rank of brigadier general, it gave him the status of minister and an important position in the presidential palace. He is now considered the man for important missions in the regime. The regime also recently appointed lawyer 'Abd-al-'Aziz (Shaddu), chief counsel for the defendants in the Falasha case, minister of justice and public prosecutor!

If the NIF regime is the first to have made use of those who were condemned for complicity in evacuating the Falashas, which was a stab at the Palestinian cause and deviation from the Arab consensus, the al-Bashir regime, which in the coup's first communique called for what it termed "breaking Sudan's foreign isolation" and proclaimed the regime's desire to restore and strengthen foreign relations, was and still is proud of having restored Sudan's foreign relations with the Central African Republic, the only country whose relations with Sudan had been broken. Relations with Central Africa were broken under the democratic regime because its president wanted to cross Sudan and penetrate Sudanese airspace in his private plane en route to an official visit to Israel. The democratic government refused the request because it conflicted with Sudan's fundamental

stands and the resolutions of the Arab League, and it canceled the flight. The president of Central Africa became angry with Sudan and broke off diplomatic relations. Although al-Turabi's NIF knew this fact, because it was a partner in the government and in democratic life when the break in relations occurred, its regime did not hesitate to curry favor with the president of Central Africa; al-Bashir even went to him personally in an attempt to placate him and restore diplomatic relations with his government. Afterward, al-Turabi's regime trumpeted this achievement, despite all the damage the regime had caused in relations with its brothers and all of its friends, so that relations soured with all of the countries of the world, save a few. The NIF regime claims a great achievement in its African relations. It prides itself and boasts about Ethiopia and Eritrea. It claims to have helped end the Mengistu regime, although the overthrow of Mengistu was too great and too large of a scheme for Sudan's reach. The contribution of the NIF regime took the form of what was demanded, helping to implement an already determined plan. One telling indication of this is that the regime transported Meles Zenawi from London to Khartoum on a private plane belonging to Tiny Roland [chief executive of Lonrho]. Zenawi was accompanied by al-Fatih 'Urwah, who was responsible for transporting the Falashas and who then became a brigadier general in the Army and a minister in the presidential palace. Zenawi went on from Khartoum to become president of Ethiopia. His relations with Israel and Sudan have become so firm that Sudan's ambassador to Ethiopia ['Uthman al-Sayyid Fadl] is the foreign security official under the Numayri government who, with al-Fatih 'Urwah, was responsible for the Falasha episode. After al-Fatih 'Urwah became minister, he made the official ambassador to Ethiopia.

Just as the regime's relations in Ethiopia became stronger, so did its relations with Isayas Afewerki, president of Eritrea. So sympathetic did the al-Turabi people become that they sacrificed the Islamic Mujahidin organization, which was aligned with them or was their creation, and handed over the organization's leaders to Afewerki when they declined or refused to cooperate with him. He is said to have executed some of them and tossed the others into prison.

A few weeks ago, the Eritrean president came down with encephalitis and was taken to Israel for treatment. He was accompanied by the Israeli ambassador to Ethiopia, and they flew to Israel on a private American plane. When the Eritrean president returned in full health, some said that the treatment in Israel would cause tension or at least a cooling of relations, with the Sudanese Government or would be the object of reprimand or questioning by the Sudanese regime. A quick response was provided by an official of the Eritrean government who said that the first telegram congratulating Afewerki after his return from his trip to Israel for treatment was from President al-Bashir! Although Khartoum has made absolutely no mention of such a telegram, it appears that al-Bashir, not satisfied with a

telegram, sent the minister of education to Asmara to congratulate Afewerki on his recovery!

Naturally, everything we have said in this context harmonizes fully with Dr. al-Turabi's statements quoted in LE MONDE. What seems surprising and amazing is that al-Turabi has taken other positions in the Friday sermons from the pulpits of political Islam. And because he has become the leader responsible for Sudan, the media have begun to take an interest in his statements. From all these statements, especially after he became leader of most of the political Islam movements in the region after his consecration at the so-called Khartoum conference, many contradictions, contradictory positions, and conflicting principles are apparent. We mention the following points as examples, not as an exhaustive list:

Al-Turabi launched a vicious attack on the Islamic Conference Organization, especially the conference of presidents of the organization held last year in Dakar, which he described as useless. When a reporter asked him whether he had been disappointed by the conference, he replied impatiently that he had never had any hope about it to be disappointed. He added that it had been superseded by the Khartoum conference, which was a conference of peoples, not governments. He ridiculed the conference, accusing it of the inability even to add the word "jihad" against Israel in its concluding communique. The NIF government's official position was and remains that it is against negotiations with Israel and for continued holy war. Indeed, it officially embraces the Palestinian Hamas movement, which has official offices in Sudan. Hamas, in fact, still will not meet with the PLO, except in Sudan under al-Turabi's personal sponsorship, and continues to insist on the need to stop negotiating with Israel.

Given all of this, how can one explain the regime's stands and its real aims? On one hand, it is for Israel—for recognizing it and reaching an understanding with it on the basis of Resolution 242. That is what al-Turabi's statements made through AGENCE FRANCE-PRESSE and published in LE MONDE indicate.

On the other hand, it is against negotiating, supports Hamas, and sees no way of obtaining Palestinian rights except through armed struggle and fighting Israel! That is the implication of its hostile statements against the Islamic conference, its embracing of Hamas, its attack against imperialism, and its announcement that they are the successor force to the Soviet Union in confronting imperialism.

In reviewing the various contradictory stands and multiple principles in the attitudes of Sudan's al-Turabi regime, we have to talk briefly about the regime's so-called opposition to imperialism. Perhaps the regime's most obvious opposition was manifested in its stand supporting Saddam's invasion of Kuwait! Then it challenged American relief and the understanding with the IMF, and it objected to the sending of American troops to Somalia! But then the regime began a disorderly

retreat. It denied, for example, its opposition to the sending of American forces to Somalia. Then it was revealed that Sudan was dealing with an American public relations firm to lobby the American administration on its behalf so that it would win acceptance with decision-makers. It is said to have sent messengers on repeated trips to the United States, especially the minister of important missions and hero of the Falasha evacuation, America's man in the regime.

Some observers of Sudanese affairs therefore do not discount the possibility that in order to remain in power, the al-Turabi regime may have wagered on recognizing Israel, on one hand, and submitting to America, on the other hand, as stated in *LE MONDE*. So al-Turabi's statements were something of a prelude!

Commentary Urges Correspondent's Release

93AF0438B London AL-SHARQ AL-AWSAT in Arabic
11 Feb 93 p 9

[Article by Khalid al-Qashtini: "Despotism Has Different Forms"]

[Text] The Sudanese Government can prove that I am wrong if it releases my colleague Muhammad 'Abd-al-Sayyid.

Despite the powerful ties that unite all dictatorial regimes and cast them onto one historical dust heap, they are of different types. Nero, for example, who loved fire, burned the city of Rome. Caligula, who loved blood, killed his sister and drank her blood. Hitler, who loved gas, built huge gas furnaces to kill 5 million people. Saddam Husayn, who loves smoke, left Kuwait only after filling the Gulf sky with smoke from oil wells. As for 'Umar al-Bashir's regime, it is fond of smothering—a particular kind of smothering—smothering the facts; so it has closed this newspaper's Khartoum bureau and arrested its correspondent. Naturally, it is not easy for me to compare all of these odious kinds of dictatorship and accord preference to one of them, but the great English writer John Dryden relieved me of the task and gave me the last word in his play *The Gazelle and the Hyena*: "Of all the kinds of despotism the human race has known, we find the most loathsome to be the despotism that persecutes ideas."

These words are beautiful and reasonable, but inadequate, because the persecution of ideas also takes different shapes and forms. There is the type mentioned in the Koran: those who threw believers into "the fire abounding in fuel" [Koran 85:5]. There is the Inquisition, which executed anybody who held that the earth revolves around the sun. There were the Nazis, who persecuted ideas by burning books in public squares. What kind of persecution does the current regime in Sudan practice? A unique sort: It punishes the innocent for the offense of the wrongdoer and considers a person a wrongdoer for no offense other than the offense of truth. This newspaper did indeed publish a number of

articles and reports criticizing the regime, but our correspondent Muhammad 'Abd-al-Sayyid neither wrote them nor inspired them. I, as the writer of some of the articles, did not receive my information from him. Indeed, I never met with him. If I met him in Piccadilly, I should not recognize him. I did not write my articles relying on information given by Muhammad 'Abd-al-Sayyid. The truth is that I did not receive information from anyone. I merely applied to the current regime a simple political criterion, just as the physical world applies the law of gravity to falling bodies. This political law is that a government that seizes power by the force of tanks, rules by the guns of tanks, throws opponents into prison, forbids free people and critics from traveling, cooperates with the most wretched regimes that resemble it, and refuses to give the people an opportunity to speak freely. When it cannot smother the facts, it vents its wrath by taking vengeance on its innocent citizens.

The Sudanese Government has a chance to prove me a liar and mistaken. Let it release Muhammad 'Abd-al-Sayyid and other writers, and let it give the Sudanese people a chance to speak.

Press Association Deplores Correspondent's Arrest

93AF0438C London AL-SHARQ AL-AWSAT in Arabic
11 Feb 93 p 4

[Article: "Sudanese Journalists' Union Deplores Arrest of 'Abd-al-Sayyid"]

[Text] Cairo—The Sudanese Journalists' Union condemned the decision of Sudanese authorities to close the Khartoum office of AL-SHARQ AL-AWSAT and arrest the newspaper's correspondent Muhammad 'Abd-al-Sayyid. The union described the action as an NIF [National Islamic Front] attempt to eliminate Sudanese-Arab relations.

At a press conference yesterday, the Cairo bureau chief of the Sudanese Journalists' Union, Haydar Taha 'Abduh, noted the deteriorating conditions of the Sudanese press since Lieutenant General 'Umar al-Bashir assumed power. He said that the government had expelled 650 Sudanese journalists who were members of the legitimate union. Of the 40 of them who had fled the country, 17 had settled in Cairo, 13 in the Gulf states, 5 in Morocco, and 5 in European countries.

The Sudanese Journalists' Union in Cairo issued a statement about the arrest of their colleague Muhammad 'Abd-al-Sayyid, describing it as proof of the continuing violation of "all human rights in Sudan in every way and in different forms."

UNITED ARAB EMIRATES

Group Calls for Permanent Constitution

93AE0375A London AL-HAYAH in Arabic 2 Mar 93
p 7

[Article by Shafiq al-Asadi]

[Text] A group of political, social, and cultural cadres in the United Arab Emirates [UAE] has called for a permanent constitution for the state and direct elections of the Federal National Council members. This group also called for broadening the Council's role to include legislation, and enhancing the role of the government and its institutions and organizations enabling them to tackle issues of concern to both the state and the citizens. Foremost among these issues was the formulation of a comprehensive development plan.

The group indicated that the Federal National Council in the Emirates "did not play the role assigned to it by the government and that it should interact with popular issues." The group also said "that citizens should be allowed to attend the council meetings so that their opinions on different issues can be heard." These recommendations were the outcome of an open debate that was held last Sunday evening at the Cultural Council building in Abu-Dhabi between a group of Emirian citizens representing different factions of the population and a group of council members.

The group indicated that such a meeting would be held each night during the blessed month of Ramadan in order to discuss different issues of common interest, including those of youth extremism, the dangers of social transformation, the impact of satellite-transmitted television programs on public life in the Emirates, housing and standard of living problems, vitalizing the role of the federal institutions, and other issues.

During the first meeting, discussions centered around the parliamentary experiment in the Emirates, hopes and aspirations, and the Federal National Council legislative and advisory powers.

Al-Haj Bin-'Abdallah al-Muhayribi, speaker of the National Council, invited all Emirians to attend the council meetings in order to enrich debates and discussions that may take place regarding different national issues.

The National Council started its new session last 6 February after a two-year suspension. In a conversation with council members, Shaykh Zayid Bin-Sultan al-Nuhayyan, UAE president, confirmed that the council had, in cooperation with the government, a role to play in developing the Emirates and fulfilling citizens' hopes and aspirations.

The group ascertained that the new council had more responsibilities than previous ones. It also indicated that

this council had various characteristics, the most important of which was the fact that 70 percent of its members were new. In addition, these new members took part in the management of political, national and press institutions, a fact that "gave the new council an edge."

The group further mentioned that though the Emirates National Council had been the only one in the Gulf region between 1986-92, the new council came at a time "when many councils have emerged in the region. Therefore, maintaining this council's leadership was crucial." The group also stated that this council had been established amid new Gulf, Arab and international developments. This state of affairs "gave the council a lot of responsibility." The members of the council reiterated this emphatically, saying that citizens "were cared for and provided with security and stability within a democratic and culturally developed environment."

Council members who took part in this debate asserted that this democratic experience had been ongoing in one way or another since the establishment of the Emirates and that this meeting was "one form of democracy." Meanwhile, in the group's opinion, the council should be able to respond to several urgent queries, including the government-citizen relationship. The council also should deal with numerous issues, including those of education in the Emirates, the formulation of a comprehensive development plan, the population structure, and the treatment of the negative social phenomena that accompanied the country's increased material wealth.

The group indicated that the National Council should promote the spirit of unity and strengthen the federal institutions "so as to confront the short-sighted local ambitions by deepening the democratic practice. It should also formulate a permanent constitution for the Emirates that would fulfill its people's ambitions."

The group further ascertained that the council "should not work on its own, but that all citizens should work together. Starting now, the council should take the initiative and not wait for the government to draft laws for its approval." The group also called on the council "to move freely in the spirit of openness, which was one of the fruits of the meeting."

Council member Rashid al-Mazru'i emphasized in his response to a citizen who had taken part in the discussion and had asked to attend the National Council meetings, that the council regulations "allowed citizens to attend the council meetings and hear its discussions." Al-Mazru'i said that "both the council members and its general secretariat had accepted to discuss citizens' opinions, proposals and complaints inside the council." He added: "We welcome citizens' attendance at the council sessions and encourage them to keep in touch with us." The meeting had been open to all Emirians by way of a telephone number that was established especially for that purpose and advertised in the local papers.

Al-Mazru'i emphasized that the council "had many ambitions and that it had many topics to be discussed

with the government on its agenda." The citizens' group asked the council to broaden its tasks, saying that: "Responsibilities are taken not given." The group was also of the opinion that "when some council members take up special or public assignments, they may not be able to properly perform the roles assigned to them by the council." The group further expressed its belief that neither the law nor the Constitution had placed any obstacles, "but rather that obstacles were placed by National Council members who neither cooperated nor performed their duties." The group appealed to council members to "take the initiative, interact with the citizens, and get to know what goes on in the country by visiting the different institutions in order to learn the citizens' ambitions and work for their fulfillment."

The National Council members asserted that they had directives to undertake field visits to different sites to get acquainted with problems on the spot. Sulayman al-Jasim, one of the most prominent public figures taking part in the debate, said that the Arab tribal system was a "democratic heritage." He went on to say that "this open session was another face of democracy." He said that "Emirians do not want examples from abroad, but should follow a form of democracy that would be compatible with their values, traditions and ideals. All Emirians aspire to democracy, under whatever name."

Ibrahim al-Hadidi, a former National Council member, believed that the Emirates "applied shari'ah in all of its laws and that democracy was a new fad." He added: "We have a form of rule that we have been following for a long time and that permits every citizen to reach the rulers. I do not believe that conditions in the Emirates warrant elections. Besides, I do not think that elections would be beneficial."

Dr. 'Ali Hamdan, a former diplomat, responded by saying that democracy was not a heresy and that it was about time that it was established. We should take up the essential elements of democracy. People should participate in decision making, and no single person should make all the decisions. "Some of the people at the meeting believed that the Emirates' Constitution "prepared the Emirians for a comprehensive parliamentary system, which was natural because democracy was on its way." These individuals also expressed their hope that the National Council members will motivate the country instead of acting like an obstacle to its democratic evolution. Al-Mazru'i stressed the fact that "some forms of democracy are not suitable for the Gulf region and could cause problems." Salim Darwish, a former council member, said he thinks that a former article in the temporary constitution "had left it free for each emirate to choose the system for naming its representatives to the National Council, either by election or nomination." Darwish added that this system had been adopted and that the Emirians should not copy other people.

REPUBLIC OF YEMEN

Salih on Relations With Saudis, Iraqis, UAE

93AE0388A London AL-SHARQ AL-AWSAT in Arabic
6 Mar 93 p 4

[Report from Aden by Lutfi Shattarah: "Yemeni President Asserts Relations with Saudis Improving"]

[Text] Yemeni President 'Ali 'Abdallah Salih expects relations between Yemen and Saudi Arabia to continue improving now that the "summer cloud" cast by the Gulf crisis has dissipated. He emphasized that Yemen is keen on developing relations with Saudi Arabia in a manner that will serve the countries' mutual interests. He explained that "an intensive diplomatic effort indicates the scope of the border issue between the two countries and reflects legal and historic rights," according to statement broadcast by Aden Radio two nights ago.

Yemeni political sources noted that the Yemeni president, who is sensitive to Yemen-Gulf relations, avoided reference to Iraq's recent status when he alluded in press interviews to double standards in international relations. He spoke instead of the issue of Bosnia-Herzegovina muslims, which is not receiving sufficient attention from world organizations and international institutions.

The Yemeni president had received the day before yesterday a hand-written letter from UAE [United Arab Emirates] President Shaykh Zayid Bin-Sultan Al Nuhayyan. The letter was delivered by Sayf al-Mansuri, UAE's ambassador in Sanaa.

Informed Yemeni sources said the letter indicated "UAE's enthusiasm for bolstering Arab solidarity, learning from the past, and turning a new page in inter-Arab relations."

Salih Touts Elections as Solution To Problems

93AE0445A London AL-HAYAH in Arabic
27 Mar 93 p 4

[Article: "'Ali Salih: Elections in Yemen Will End Duality and Legacy of Partition"]

[Text] Yemeni President 'Ali 'Abdallah Salih has expressed hope that the general elections scheduled for 27 April 1993 will "end administrative and fiscal chaos, financial and administrative laxity, corruption, and graft."

In an address he made Thursday, two days ago, to armed forces and security units, Salih said that the "parliamentary elections to which our people attach great hope will end all the duality and negatives of the transitional period, the legacy of the partition era, and the mistaken calculations of the forces that are hostile to the revolution, the republic, unity, and democracy." Pointing out some forces' efforts to unsettle the security situation,

Salih added: "But this will not dissuade or impede us or diminish our resolve or the masses' will to accomplish this great objective."

In the context of lauding the armed forces and the difficulties they have endured as a result of shortages of resources and capabilities because of the difficult conditions that are being experienced by the Yemeni economy, President 'Ali 'Abdallah Salih said: "It is indubitable that some negatives have accompanied creation of the Republic of Yemen. This is the price of unity. The differences and the partition legacy that we inherited on 22 May 1990 have caused a great degree of financial and administrative laxity.... Some people have thought that the transitional period is a period for them to retaliate by showing no concern for public money, resources, and equipment, whether in the armed and security forces, in state agencies, utilities, and institutions, or in government departments. The settlement of accounts, which we had been confident would be buried, started on 22 May."

In another address he delivered to the Ministry of Interior and security personnel, the Yemeni president said: "We have with a high spirit of responsibility to correct the work of the two years and 10 months since the proclamation of the Republic of Yemen.... The conditions were not this negative at the time our people attached great hopes to the proclamation of the Republic and to unification of the capabilities, resources, and visions in all spheres... But very regrettably, dependence and indifference developed in some security agencies and everybody started throwing the responsibility on somebody else's shoulder and saying that this is the result of having been divided into two parts. Meanwhile, nobody has absolved the state and the government of responsibility, even though the resources are the same as they were in the past in the southern and northern parts of the country."

The Yemeni president urged the Ministry of Interior and security personnel in all parts of Yemen to shoulder their full responsibilities, saying: "We cannot absolve you for any security imbalance that develops from now on.... You must avoid all kinds of negatives. We will tell whoever does well, 'You have done well,' and we will task whoever offends and fails to do his job. The country's security is a trust in the hands of every honorable officer, noncommissioned officer, and soldier."

He urged the security agencies "to expose, under the umbrella of open political plurality, whoever commits a crime and to pursue whoever undermines security.... We must improve performance. This assault by yellow journalism is the result of poor performance. If performance improves, then this improvement will be the practical answer to this irresponsible press." Salih warned that "from now until 27 April, all enemies of unity and democracy will try to create a thousand and one problems in your face to prevent holding the elections. But if

strong and responsible security is established, then matters will proceed as well as one could wish, and this is what we seek."

'Umar Calls for Alliance of Ruling Parties

93AE0445B London AL-HAYAH in Arabic
22 Mar 93 p 4

[Article by Iqbal 'Ali 'Abdallah: "Jarallah: 'Alliance Is Possible Framework for Socialist-Congress Relationship'"]

[Text] Jarallah 'Umar, the Yemeni Socialist Party [YSP] Political Bureau member and Central Committee secretary, has asserted that the "General People's Congress [GPC] has been projecting the issue of merger between the two partners in power (YSP and GPC) persistently. This issue has been debated by the YSP Political Bureau (the party's highest leadership body) and at joint meetings between the two parties' leaderships (political bureau and central committee). But the issue has not been brought down to the two organizations' bases to discuss it."

In an interview with AL-MUSTAQBAL, a YSP paper issued in Aden, yesterday, Jarallah 'Umar, one of the YSP's most prominent leaders, noted that a "difference of opinion on the merger issue has developed in the Political Bureau. However, the party has proven that it is capable of handling disagreements democratically."

The YSP official touched on the two viewpoints existing in the Political Bureau, pointing out that the "first viewpoint says that the merger is a national necessity and a requirement for stability, whereas the other viewpoint says that it is a political and intellectual plan that has its requirements and that must be freed of instantaneous tendencies and administrative measures." It is to be noted that the first viewpoint is led by 'Ali Salim al-Bid, the YSP secretary general, and the second is led by Salim Salih Muhammad, the YSP assistant secretary who has been in Aden since last January.

Referring to the viewpoint held by Salim al-Bid's faction, Jarallah excluded the "possibility that the political bureau will get the central committee's approval of the merger as it is proposed currently" and stressed that the "possible framework for the relationship of the two organizations at present is an alliance that can be expanded with the participation of other parties, provided that they agree to a political platform for this alliance."

Ruling Parties Declare Platforms

93AE0445C London AL-HAYAH in Arabic
30 Mar 93 p 7

[Article: "Yemen: Two Ruling Parties Declare Their Election Platforms"]

[Text] Sanaa—With the opening two days ago of the 10-day nominating period for Yemen's elections, AL-HAYAH is publishing the broad lines of the GPC [General People's Council] and YSP [Yemeni Socialist Party] election platforms. It is expected that the final touches will be applied to the YSP platform in the next few days. Meanwhile, the GPC platform is final.

It is concluded from the two platforms that the two parties are headed for competition in the elections.

GPC

Yemen's GPC presented its election platform yesterday so that its candidates can be selected to run for election to the Chamber of Deputies. The platform gives priority to improving the economic and developmental situation and then to social development. It also focuses on developing the judiciary and devotes attention to defense and democracy. At the end of its platform, the GPC points out the nature of the foreign policy it proposes to follow for Yemen.

The GPC has underlined its commitment to seven fundamental principles, namely:

"Loyalty to God, the country, and the revolution; adherence to Islam as faith and law, to the republican system, and to the principles of the Yemeni revolution; safeguarding unity; adhering to constitutional legitimacy and to the principle of the peaceful rotation of power; defending the citizen's rights to liberty, equality, social justice, security, and his right to food, clothing, shelter, education, and health care; adhering to a democracy founded on political pluralism; ensuring the right to opposition and to free expression in all its forms; protecting human rights; building a modern state—a state of law and order—with all its modern institutions and its civilian society; and tending the family in its capacity as society's basic cell."

In its election platform, the party gives priority to improving the economic and developmental situation, to enhancing the Yemeni people's living standard by reducing the budget deficit, to expanding the sphere of industrial, agricultural, and tourist investment with the participation of national, Arab, and foreign capital, and to securing employment opportunities by facilitating major investments in the infrastructure and in development projects. Moreover, the platform gives priority to promoting and supporting labor-intensive small industries and crafts, to drafting and implementing balanced and integrated agricultural and industrial policies, to promoting tourism, to exerting efforts to acquire technology, to completing the efforts to set up a free zone in Aden Governorate, and to supporting agriculture.

As for administrative agencies, the party promises to introduce fundamental change and comprehensive reform and to deal with the problems of institutional and job inflation in the civil service agencies so as to improve performance.

The GPC underlines its interest in bolstering security and developing the judiciary. It points out the need to strengthen trust between citizens and security men, to fight crime in all forms and shapes, to combat the manifestations of revenge and acts of political violence and terrorism, and to bolster the authority of the state and of its agencies in order to ensure security and stability in all parts of the country. The GPC also underlines the need to stiffen measures to prevent drug smuggling, to develop the education, training, and organization of the security forces through the security and police institutes and academies, and to safeguard public money and preserve the citizens' dignity, property, money, and honor. The GPC also stresses the need to provide "full care to martyrs' families and police personnel, to exert efforts to eradicate illiteracy among police agency workers, and to improve the conditions of prisons and prisoners."

Under the heading of "developing the judiciary authority and achieving justice," the GPC sees that "it is essential to modernize and develop the judiciary authority and judicatory system, to emphasize the judiciary authority's independence, to simplify judiciary procedures, and to create judiciary police."

The election platform considers safeguarding national sovereignty and "defending the country against any foreign threat or aggression a national duty. Therefore, the GPC has directed its attention to developing and enhancing the armed forces by focusing on restructuring them out of its eagerness to see them reflect the unity of the country's soil and citizens. It has also directed its attention to enhancing the armed forces' combat, technical, and organizational standard so they will absorb and keep up pace with the various developments in the area of armament and organization and so they will defend the homeland and protect its sovereignty and independence. Moreover, the GPC seeks to guide the armed forces along a sound methodological path to ensure their loyalty to God, the country, and the revolution and to reinforce their patriotic feeling and their political neutrality so they will reject any other partisan, sectarian, denominational, or provincial loyalties."

The platform underlines the importance of democracy as the "characteristic of the age. It considers all concepts on which democracy is founded concepts that complement each other, including the concepts of free peaceful political action that is based on political and party pluralism, the right to political participation, observance of the constitution and the law, adherence to action complying with the principles of constitutional legitimacy, the peaceful rotation of power, the right to constructive opposition, ensuring public rights and liberties, securing human rights and freedom of the press, respecting opinion and counter opinion, and the right to form the civilian society's institutions, such as associations, labor federations and unions, popular and creative organizations, social clubs, and other organizations in accordance with the constitution and the laws."

Regarding Yemen's foreign policy, the GPC expresses its belief that it is essential that "our foreign relations with other countries be completely clear and based on mutual respect, joint interests, and the principle of reciprocity."

The platform points out that foreign policy must focus on "bolstering Yemen's influential role at the Arab, Islamic, and international levels, establishing relations of strong cooperation with the world, and using these relations to strengthen economic and social development."

To accomplish this goal, the platform calls for "strengthening and bolstering the relations of fraternity and cooperation with the GCC [Gulf Cooperation Council] member states; embracing a fraternal peaceful approach to settle disputes; establishing Yemeni-Arab relations founded on cooperation, common interests, and nonintervention in domestic affairs; bolstering the role of common Arab action; supporting and backing the Palestinian people until they attain their freedom and independence and set up their independent state; strengthening the Islamic solidarity procession and reinforcing the role of common Islamic action; performing an influential role in the international and regional organizations; and devoting attention to the expatriates' conditions."

YSP

In its platform, the YSP underlines its reliance on the Islamic faith and its values, which call for freedom and equality, on its programmatic charters, on its development and reform program, and on the legitimate aspirations and fundamental demands of the masses.

The YSP has defined the tasks to which its representatives who get elected to the Chamber of Deputies and to the state agencies will be committed. These tasks are: strengthening the constitutional institutions, expanding democratic practices, applying the local government system, spreading the supremacy of the law, accomplishing complete national unity and total social merger, defending society's unity, respecting the constitutionally and legally guaranteed interests of society's classes and factions and preserving their social peace and fraternal coexistence, continuing and completing creation of the Yemeni state that "guards its citizens' equal rights and duties and protects people's dignity, property, and lives." The YSP promises that it will hold local council elections, including elections to select governors and district officers, and will give these councils broad powers.

The YSP also promises to work to secure the conditions necessary to achieve democracy, especially the building of a modern national state, entrenching the rules of democratic life, and adhering to the democratic option through free and honest elections and the peaceful rotation of power.

The party views the security and stability issue as one of the priorities that it promises it will accomplish by

"putting an end to any despotic acts committed against the citizens and by adopting strict measures against those who commit political assassination and sabotage acts and against all those who threaten society's security, safety, stability, and reassurance."

The party says that it is necessary to "develop practical solutions to personal vendettas and tribal wars by way of a comprehensive national reconciliation, by bolstering government authority and spreading it to all districts, and by enabling the judiciary agencies to perform their duties with a spirit of fairness and honesty." This is in addition to "liquidating the political consequences of past conflicts; strengthening national unity and confronting the endeavors to undermine it; confronting all manifestations of sectarian, familial, tribal, and provincial fanaticism; and by renouncing and prohibiting political violence in all its forms."

As for economic development, the YSP promises to channel development projects toward accomplishing the goals of increasing employment opportunities, enhancing individual income and society's income, devoting special attention to agricultural production by following a sound agricultural policy based on promoting investment, providing soft-term loans to farmers, building dams, canals, and barriers with the participation of the citizens, encouraging farm cooperatives, regulating prices, and adopting a fair and effective wage and salary policy for workers, contract employees, and civil servants that assures them of strengthened purchasing power, that is compatible with the price levels, and that meets the requirements of an appropriate human life."

The YSP declares its commitment to "implementing an appropriate social security and insurance program and regulating the relationship between landowners and hired farm workers through a fair law that protects both sides' rights."

In the area of education, culture, health, and housing, the YSP promises that its deputies will work to "implement a uniform basic education policy under the control of the Ministry of education, relying on a resolution adopted by the Chamber of Deputies in this regard." It also promises to "preserve free education, to implement compulsory basic education gradually, to improve and develop the quality of this education, and enhance the professional and living standard of Yemeni teachers." The party is committed "to exert efforts to develop the national and pan-Arab culture, to revive the luminous Arab Islamic heritage, and to disseminate a lofty human culture, in addition to developing urban and rural health services by giving priority to preventive services and to preliminary healthcare."

The YSP is also committed to "seek to build housing projects for people with limited income, with the participation of the state and of the various institutions and their workers, to encourage housing cooperatives, to

develop the countryside, to proliferate the service agencies, to distribute service projects in the various parts of the country, to revive private cooperation without tying it to the official agencies, and to utilize private money in investment."

The YSP election platform also calls for lifting injustice by "abolishing private jails; prohibiting the use of chains, the use of bounty hunters, and the levying of illegal fines; prohibiting the arrest or detention of a citizen without a court order; and bolstering the judiciary's independence, reforming and modernizing the judiciary, and establishing strict requirements, based on honesty and capability, for the selection of magistrates."

The platform emphasizes the need to fight corruption by "putting an end to organized corruption and sabotage in the state's executive, administrative, and judiciary agencies and by exposing corrupt practices and those who engage in them to the people so as to protect public money from manipulation and plundering."

Regarding human rights, the party platform stresses adherence to "ensuring free political, cultural, creative, and professional activity."

The party pledges to achieve a "comprehensive solution to land problems, whether concerning lands nationalized by law or expropriated land, to secure appropriate land to those who are to be compensated, be they landowners or beneficiaries, to stop the squandering of awqaf [religious trust] property and funds, and to allocate their revenues to deserving areas."

Regionally, the YSP stresses that it is committed to "bolstering neighborly relations, to settling border problems peacefully and in a way that preserves everybody's legitimate rights, to expanding the spheres of cooperation, to exchanging benefits, and to achieving comprehensive regional security." At the pan-Arab level, the YSP underlines its tendency to "embrace an Arab policy that reaffirms the single pan-Arab belonging."

Reports Claim 3 Billion Barrels in Oil Reserves

93AE0388B London AL-SHARQ AL-AWSAT in Arabic
6 Mar 93 p 12

[Report from Sanaa: Yemeni Oil Reserves Expected to Rise to 3 Billion Barrels"]

[Text] Preliminary studies by Yemen's Ministry of Oil and Mineral Wealth reportedly indicate that the eastern governorates of Ma'rib, al-Jawf, Hadramawt, and Shabwah sit on huge gas and oil reserves. Several regions of those governorates are being explored and prospected [for oil to augment] current output from Ma'rib and Shabwah.

Yemeni Oil Minister Salih Abu-Bakr Husaynun said in recent statements to the press that the quantities of oil discovered in Yemen so far are but a small fraction of undiscovered reserves. He expects his country's actual

oil production to rise from 200,000 bpd [barrels per day] at present to about 300,000 bpd by next September, when Hadramawt's al-Masilah oil fields begin producing. Those fields, which have an estimated first stage total output of about 120,000 bpd, are currently undergoing final preparations to begin production next September.

Some 700 million riyals have been allocated by the Yemeni government for fast oil investments intended to restructure the Aden refinery, fund geological surveys in several areas, and complete studies on the economic feasibility of [mining for] gold, zinc, and lead in various parts of Yemen. Steps are currently being taken to estimate the size of reserves of the three metals.

AL-AYYAM newspaper, in a report on the economic feasibility of the those metals, said that reserves of those ores are estimated at between 8 and 25 million tons.

Meanwhile, official preliminary studies put Yemeni gas reserves at about 43 billion cubic meters so far and show that discovered oil reserves have risen to 1.06 billion barrels and are likely to increase to 3 billion barrels in the near future.

Merchants, Government Blamed for Riyals' Decline

93AE0394A London AL-SHARQ AL-AWSAT in Arabic
28 Feb 93 p 13

[Article by Hamud Munsir]

[Text] Sanaa—Since the first months of unity, the Yemeni currency (the riyal) suffered several setbacks which led to reducing its purchasing power and its rate of exchange against foreign currencies. The most significant collapse of the riyal's value occurred in late November and early December of last year, when the riyal's value dropped by 65 percent and the dollar rate of exchange jumped to 55 riyals for the dollar in December, after it had maintained its stability during the three months preceding that, when the rate of exchange was 35 riyals to the dollar. This collapse in the value of the local currency had a direct effect on prices in the Yemeni market. This soon prompted the citizens to protest the deterioration of the standard of living and the exacerbation of the economic crisis. Protests in the second week of December escalated into riots and disturbances in several provincial capitals and Yemeni towns in which about 25 people were killed and 107 wounded, according to the Yemeni Ministry of Interior's statistics. During that time some 700 people were arrested. This was in addition to acts of looting and destruction that several government and economic institutions, shops, and cars suffered.

In order to deal with this situation, the Yemeni Government hastened to take a series of economic measures. This took place at a joint meeting of the Presidential Council. The measures included issuing regulations

organizing the exchange and currency market. The official authorities had then condemned what they called the invisible hand of speculation with the foreign exchange rate. Yemeni Prime Minister Haydar al-'Attas stressed at a press conference that the dollar exchange rate against the Yemeni rial in early December was exaggerated. In addition to that there has been political bickering between the two major ruling parties, the Yemeni Socialist Party and the General People's Congress, vituperations in the papers of both parties, and the dissemination of reports that the government printed 100 billion riyals with no coverage—all of which had serious effects on the general situation in the country then.

Despite the urgent measures the government has taken, including increasing employees wages by 70 percent, setting up a five-man joint committee of government and the commercial sector representatives to study the supplies situation and controlling commodity prices, and issuing regulations organizing currency exchange, the crisis from which the economy is suffering is still acute. The most significant phenomena of the crisis, as Deputy Treasury Minister Ahmad Husayn al-Basha says, is the fall in the value of the local currency, the chronic budget deficit, the deficit in the balance of payments, the soaring inflation that is evident in high prices, the increasing unemployment, the acute shortage in the government's revenue in foreign currency, the vast foreign debt, and the drop in the rate of the general national product.

Economic experts point out that the rapid deterioration of the rate of exchange of local currency against foreign currencies is one of the most important reasons for the Yemeni currency becoming the target of speculation in the "parallel market" and for the rise of inflation rate during 1992. This has led to a substantial decrease in the rial's purchasing power during the same year. During conditions that were being described as normal, the rial's rate of exchange gradually rose from 32 riyals for the U.S. dollar in January 1992 to 55 riyals in early December of the same year. It then went up to 42 riyals for the dollar following the measures the government took after the riots incidents. The rate of exchange in the parallel market continued to fluctuate between 43 and 47 riyals for the dollar until February of this year, despite the hopes that were attached to government measures, especially following the issuing of the regulations organizing the exchange market.

Yemenis familiar with economic affairs assert that the increase in the supply of riyals is the main reason for its continuing drop of its value against foreign currencies in general and the dollar in particular. Cash is being sold in the exchange market like any other commodity and is subject to supply and demand. Dr. Sayf al-'Asali, head of the economic department in the College of Business at Sanaa University, said that local currency supply in the exchange market in quantities exceeding the demand for it was in response to the deficit in the state general budget and due to the foreign currency market being dominated by a number of monopolizing changers,

which is the result of the policy the government adopted in dealing with the foreign currency crisis.

Who fixes the daily rate of exchange in the market? Several individuals working in the exchange market, which is located in the "Salt Market" in the middle of old Sanaa say it is the major currency dealers who fix the dollar rate of exchange every evening, and inform the changers by telephone of the new rate from their homes.

Several changers interviewed revealed that three categories of people operate in the Yemeni parallel currency market. The first is the category of the big traders, that is, the "commercial establishments," which have large quantities of foreign currencies. They conclude major deals from their homes. Next comes the second category, the direct changers in the "Salt Market," especially the "briefcase dealers." These people operate daily in the market and deal with limited amounts of currency. They regard the money-changing business as highly risky. They look for a marginal profit by exchanging tens of thousands of Yemeni riyals for other currencies in order to meet their financial needs. They face the risk of unknowingly handling counterfeit currency, since such currency was widely in circulation last year. The police have been able to expose a number of gangs and a quantity of counterfeit foreign currency. These changers become alert when the rate of exchange of foreign currency against the rial escalates. They are afraid that the police will make surprise raids and arrest them, as happened several times last year. These changers deal with currency in the exchange market, just like they deal with a commodity. They buy it for a certain price and sell it for price that will realize a marginal profit that satisfies their financial needs. The third category consists of those who engage in currency transactions alongside their commercial transactions. In the "Salt Market," you will find the "spice merchants" or those who deal in the traditionally manufactured silverware. The same can be said about the retailers. All of these people engage in money changing. They deal with the currency as a commodity that they offer in their shops. The purpose of this, they assert, is only to make a profit.

All of these categories [of money changers] previously operated in the absence of laws to organize their work and regulate monetary transactions in the exchange market. But following the issuing of the regulations that organized money exchange, the Central Bank announced that those who wish to deal in money exchange business must apply for official permits based on certain conditions and regulations contained in the application form. But what will be left of these categories?

But the "briefcase dealers," sidewalk changers, and retailers consider the Yemeni Central Bank's conditions for obtaining permits as unfair, and therefore they will not be able to obtain permits if the bank applies such conditions. They point to the conditions stated in the regulations organizing the exchange market, saying that this trade will be monopolized by the big merchants,

although it is those merchants who from time to time engage in speculation in the rate of exchange.

The list of conditions and procedures governing the issuing of permits for engaging in money exchange, which was issued by the Central Bank in early February, assure preliminary approval of applications, and after determining that the application meets all the conditions, the Central Bank will issue a final permit. This will be registered in the special register of exchange companies and utilities, after the applicant completes the registration procedures and submits a copy of it to the Central Bank.

The regulations organizing money exchange business limit the permit to three years. The Central Bank may extend the permit after its expiration if no offenses have been committed [by the licensee]. Section "B" of Article 6 provides that the bank has the right to withdraw the license in case the licensee does not adhere to the regulations provisions.

The regulations limit those entitled to licenses to deal in money exchange to two categories only:

The first category includes the Yemeni joint stock companies and shares with limited liabilities, provided the partners' stocks and shares are nominal and owned by Yemenis.

The second category includes individual utilities or corporations established in accordance with current Yemeni laws and owned by Yemeni citizens.

The company's paid capital with respect to the first category should be no less than 20 million riyals, and the second category capital should be 1 million riyals. The changer is banned from combining money changing with other commercial business under the same name or legal form under which he is permitted to operate.

The new regulations provide that, before beginning business, the changer should make a cash deposit equivalent to 25 percent of the paid capital with respect to the first category companies and to utilities of the second category in any licensed commercial bank, payable to the order the governor of the Central Bank as a guarantee to adhere to the regulations provisions. The deposit shall be treated the same as a commercial bank deposit. The changer may not terminate or suspend his business without the bank's prior written approval.

Economic experts believe that the regulations will be effective in organizing the exchange business only, but will have no effect on controlling exchange rates. They believe that the local rate of exchange will remain subject to supply and demand. Chapters 3 and 4 of the regulations confirm such views, because the two chapters define permissible and nonpermissible exchange business for the changer. All of this is carried out under the supervision of the Central Bank. Article 14 allows the changer to buy and sell foreign currency notes and sell them at his own risk and responsibility. He is also

permitted to buy, collect, and sell travelers and bank checks issued by banks operating in Yemen or abroad. He is also permitted to buy or sell precious metals, and to initiate or accept remittances to and from abroad. He is also permitted to export currency with a prior approval of the Central Bank.

The regulations do not allow the changer to carry out any type of banking transactions and bans him from staking a position in the foreign futures exchange market, or undertake any similar lateral obligations. They also do not allow the changer to obtain direct or indirect credit facilities, except with a prior written approval from the Central Bank. Partners in an exchange company are not allowed to withdraw any amounts exceeding their share of the annual net benefit, or to borrow from the company or to lend the company, except after obtaining a prior approval from the bank.

Article 20 of the regulations prohibits the money changer from engaging in illegitimate speculations in foreign currencies or precious metals in any way or by any means, including the dissemination of fabricated reports.

Article 15 of the regulations provides that fixing the rate of exchange of foreign currencies in the parallel market is to be done by a committee comprising chairman of the board of the Banking Association, as chairman, two members of the same association; two members from the board of the Association of Money Changers; and a member of the board of the Federation of Chambers of Commerce and Industry. The Central Bank will be represented by a delegate from the general administration of bank control who will act only as an observer. When fixing the rate of exchange, the committee should be guided by the market indices in order to fix a realistic rate of exchange compatible with the existing market mechanisms.

Despite the conditions defined by the regulations for operating in the field of money changing and currency transactions, the money changers, according to the new regulations, are subject to close supervision and control by the bank, which makes them an extension of the bank, but without the mechanisms of bank intervention being defined in case the local currency suffers an acute fall in order to protect the currency and the changers as a sector subject to the bank control and supervision.

The regulations subject the changer to bank control and oblige him to submit periodical data on his financial position and the total of his exchange transactions. It also provides that the capital of the money changing company or its utilities should not at any time be less than the minimum fixed for the category for which he is licensed. The regulations give the bank the right to assign its employees to inspect exchange companies and utilities when it deems this necessary. The changers of all categories are obliged to appoint chartered accountants to audit their account. They are also obliged to provide the Bank with a copy of the budget at the end of the fiscal

year and the statement of losses and profits for the ending fiscal year. The regulations also provide that exchange companies and utilities should ensure that no operating balance of foreign currencies should exceed the equivalent of the paid capital and the reserves therein. They should get rid of the surplus, if such surplus exists, by offering it for sale not later than the end of the business day every Saturday of the week. The bank may fix the public business hours for the morning or the evening period, with respect to the exchange companies and utilities for all the days of the week.

Despite the fact that two months have passed since the regulations were issued, its implementation has not yet begun. Exchange transactions are still being carried out with the old method. The Central Bank officials decline to comment on the failure to implement the regulations, despite the invitation to those interested to submit applications for a license. The bank officials say that any talk about the exchange market and implementing the regulations is premature. The only explanation for this is

the reluctance of some changers to apply for licenses because the regulations put them under direct control of the Central Bank, without the bank being obliged to take any measures to salvage the situation should any disturbance occur in the exchange market, such as intervening in order to back the local currency or salvaging the exchangers' funds in case of a fall in the foreign currency value through the customary financial method. Most of the existing changers believe that curbing the escalation of foreign rate of exchange against the local currency can be done only with the state intervention represented by the bank by pumping quantities of foreign currencies in the market that would halt the fall in the local currency rate of exchange. This is something that the bank is unable to do under present conditions because of the present scarcity of its own foreign currencies and the shortage in public revenues in foreign currencies during the past three years as a result of the huge imbalance in the balance of payments, the trade balance, and the major deficit that appeared in the general state budget in 1992.

IRAN**Rafsanjani's Son Becomes His Father's Special Envoy**

93LA0011E London KEYHAN in Persian 4 Feb 93 p 2

[Text] Yaser Rafsanjani, the son of Hashemi-Rafsanjani, shall from now represent his father as a special envoy in certain ceremonies.

Last week, Yaser Rafsanjani went to Shiraz on behalf of his father and, after meeting with Ha'eri-Shirazi, the Friday

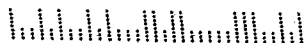
imam of Shiraz, visited the first heart-transplant patient in Iran. Yaser, who is mostly engaged in international commerce and trade, is the head of the Iranian Automobile Club through his interest in automobile races. In the Namazi Hospital, Yaser Rafsanjani met with Dr. Sanjarian, the heart surgeon who transplanted the heart of another patient into Mahmud Haqqarast. Rafsanjani's son later met with General Abolfathi, the law enforcement commander of Fars Province, who was wounded in a skirmish. After visiting the hospital, Yaser Rafsanjani also made comments and recommended that a heart-transplant center be established at Namazi Hospital.

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